



SHENZHEN EXPRESSWAY COMPANY LIMITED

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

Stock Code: 00548(SEHK) 600548(SSE)

2011 Annual Results Presentation



30 March 2012



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↗ Financial Highlights

↗ Business Review

↗ Financial Analysis

↗ Outlook and Plans

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Operating Overview

Project Operation

Highway Maintenance

Entrusted Business Management

Finance Management and Control

- Affected by the downturn of macro-economy and network changes, the growth for toll revenue generally slowed down
- Qinglian Expressway opened to traffic, while operational performance still restricted by the surrounding road network
- Completion of preventive maintenance planning program brings positive influence on the costs during the Reporting Period and on the maintenance expenses during the whole operation period of the project
- Repair works of South Section of Meiguan Expressway increased the cost of services of the Reporting Period
- The Company recognized profit based on the percentage of completion for the Coastal Project
- Took Guilong Project for the purpose of developing road construction and relative development business and trying the new business mode
- Issued Long-term Corporate Bonds in amount of RMB1.5 billion
- Composite borrowing costs controlled at 4.96%, lower than the market average level





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FINANCIAL HIGHLIGHTS

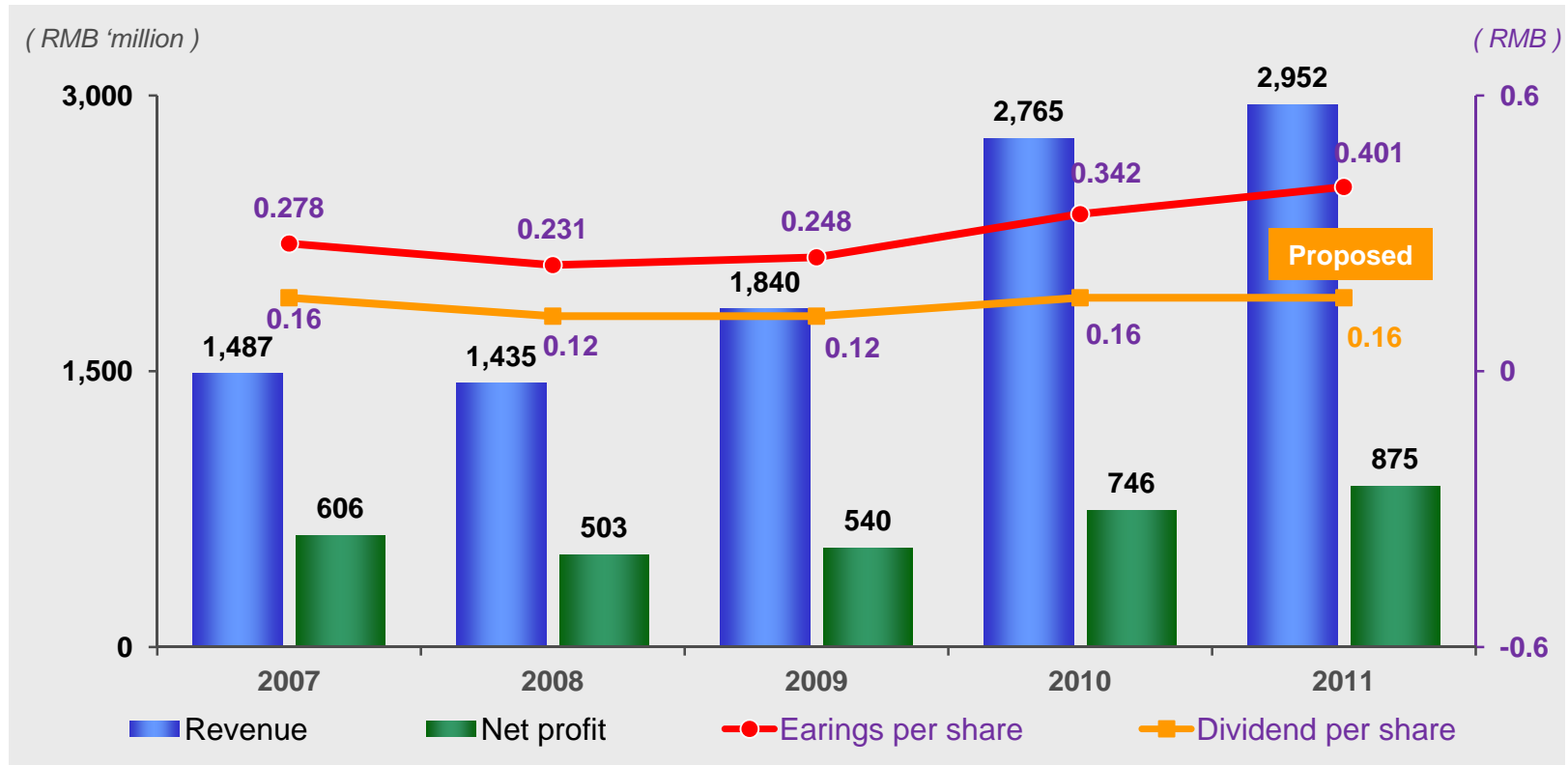


Financial Highlights

	2011 (RMB 'million)	2010 (RMB 'million) (Restated) ^{Note}	Change YOY
	As at 31 December		
Revenue	2,952	2,765	+6.74%
Incl: Toll revenue	2,716	2,615	+3.83%
Profit attributable to owners of Company (Net profit)	875	746	+17.34 %
<i>FYI: Net profit excluding the impact of provisions for maintenance/resurfacing obligations</i>	720	898	-19.85 %
Earnings per share (EPS) (RMB)	0.401	0.342	+17.34%
Return on equity (ROE)	9.84%	8.89%	+0.95p.pt
	31 December 2011 (RMB 'million)	31 December 2010 (RMB 'million) (Restated) ^{Note}	Change YOY
Total assets	24,609	23,050	+6.76%
Total liabilities	14,111	13,076	+7.92%
Incl: Total borrowings	10,879	9,475	+14.82%
Total equity attributable to owners of the Company	9,204	8,649	+6.42%
Net assets per share attributable to owners of the Company (RMB)	4.22	3.97	+6.42%

Note: The financial statements of JEL Company have been consolidated into those of the Company since 1 July 2011. As the combination represents the business combination involving enterprises under common control, the Group has adjusted the financial statements for the previous accounting period accordingly as required by the accounting standards.

Financial Highlights





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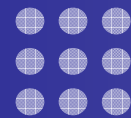
**BUSINESS
REVIEW**



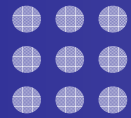
Impact Factors



Toll highway
operational
performance



**Complicated and volatile
economic environment**



**Construction and maintenance
works of toll highway projects**



Change of road networks

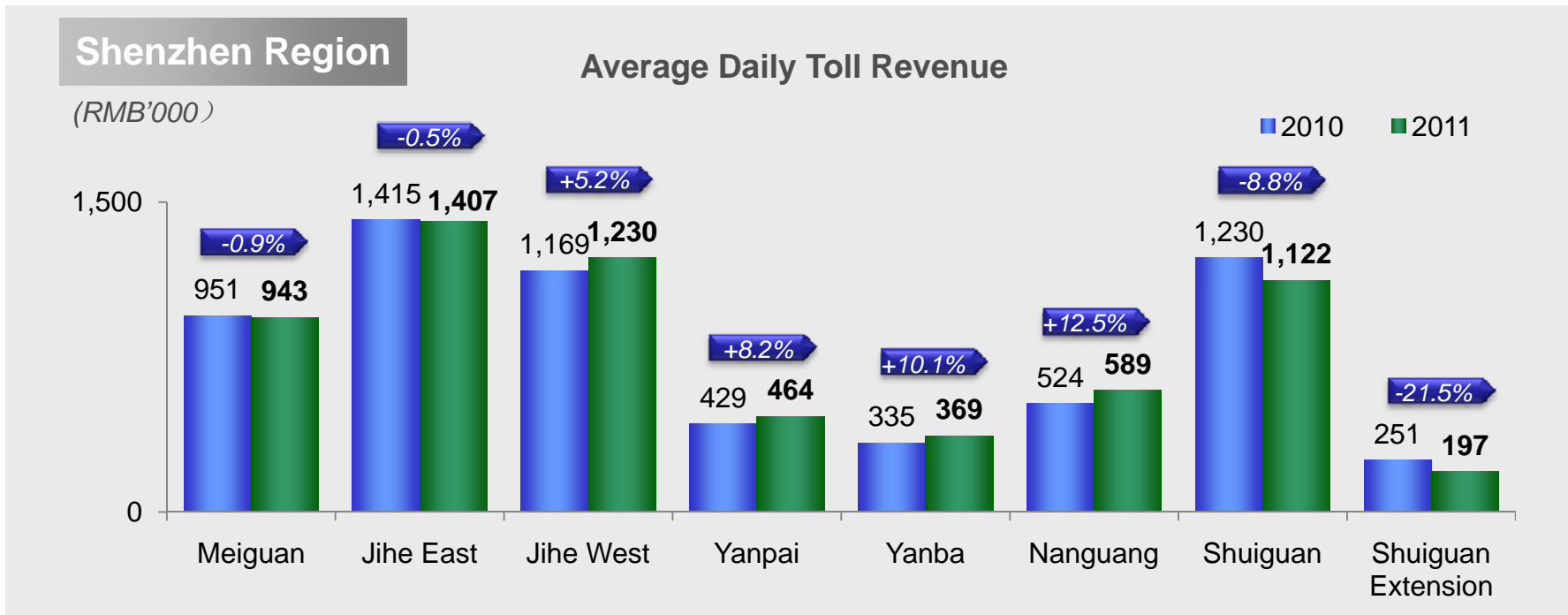


**Marketing and management
measures**



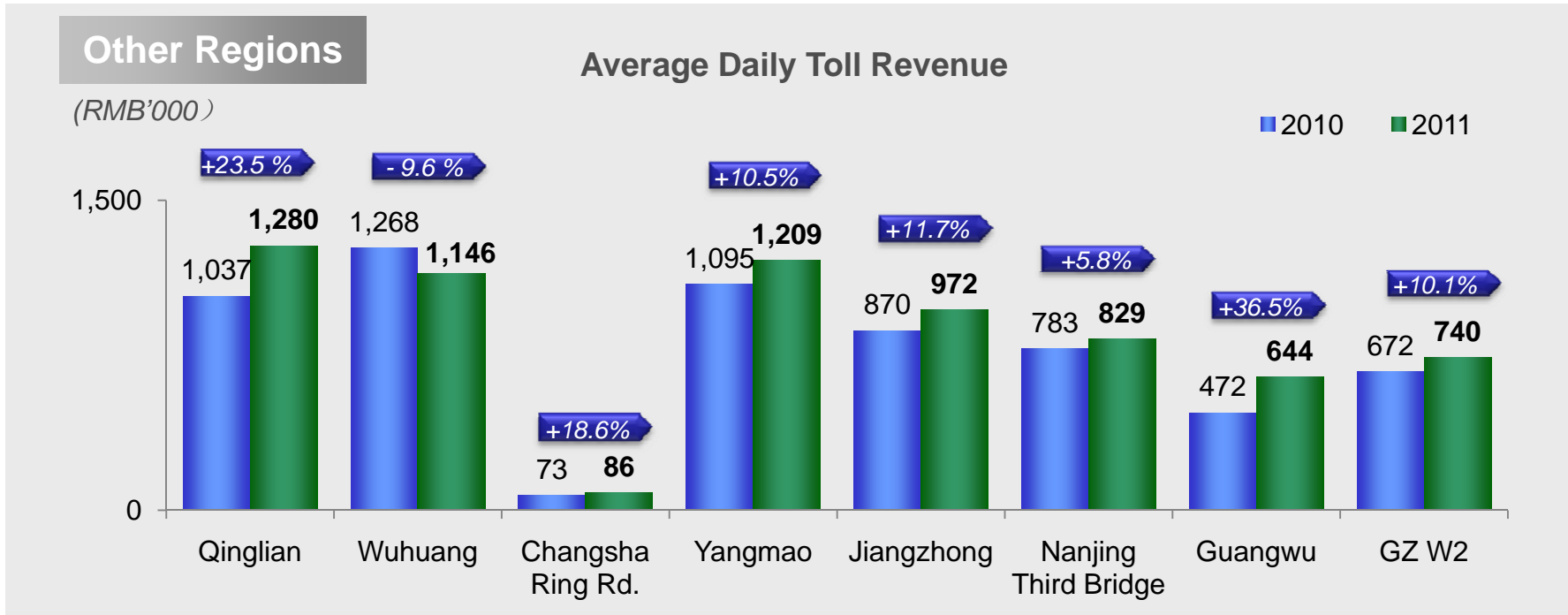
Industrial policy

Operational Performance



- The growth of domestic economy was lowering, the natural growth for toll highway projects generally slowed down.
- The operational performances of toll highways were positively or negatively affected by the changes of road networks in the region.

Operational Performance



- Qinglian Expressway: the expressway operation of Liannan Section improved the traffic conditions of the project itself and increased the toll mileage of Qinglian Expressway.
- Wuhuang Expressway: the operational performance was negatively affected by the changes on surrounding road networks and the implementation of traffic control measures.

Business Development

➤ **Qinglian Expressway:** the reconstruction of Liannan Section into an expressway was completed, the whole 216 km long Qinglian Expressway has been opened.

➤ **Meiguan Expressway:** the road surface maintenance and traffic improvement works of South Section were completed; the reconstruction and extension work of North Section was under construction.

➤ **Shuiguan Expressway:** the extension work was completed and extended Shuiguan Expressway has been in full operation.

➤ **Coastal Project:** the construction progress was in line with expectation and scheduled to be completed in the second half of 2013.

➤ **Guilong Project:** it is an exploration and implementation of new business model and is actively pushed forward.



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**FINANCIAL
ANALYSIS**



Financial Analysis - Revenue

	2011 (RMB 'million)	2010 (RMB 'million) (Restated)	Change YOY (RMB 'million)
Toll revenue	2,716	2,615	+100
Management services income	149	91	+58
Other income	87	59	+28

	2011 Toll Revenue (RMB '000)	2010 Toll Revenue (RMB '000)	Change YOY (RMB '000)
TOLL ROAD			
Jihe East Exp.	513,638	516,377	-2,739
Qinglian Prj.	471,288	392,225	+79,063
Jihe West Exp.	448,914	428,755	+20,159
Wuhuang Exp.	418,371	462,914	-44,543
Meiguan Exp.	344,277	347,247	-2,970
Nanguang Exp.	214,981	191,088	+23,893
Yanpai Exp.	169,299	156,453	+12,846
Yanba Exp.	134,795	122,406	+12,389
TOTAL	2,715,562	2,617,465	+100,097

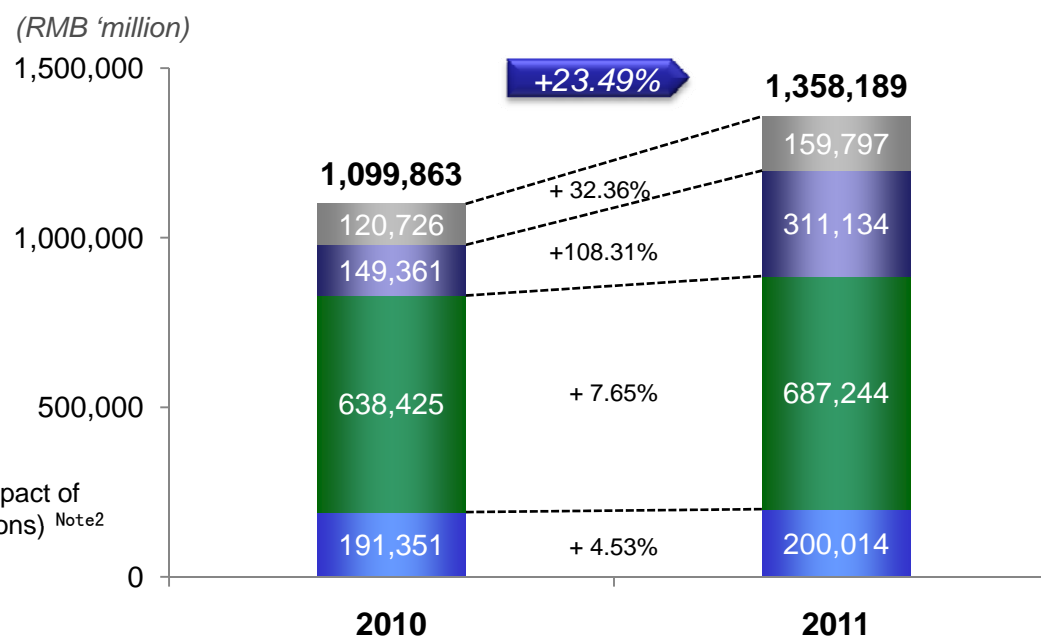
Financial Analysis - Cost of Services

	2011 (RMB 'million)	2010 (RMB 'million) (Restated)	Change YOY (RMB 'million)
Cost of services	1,100	1,256	-156
FYI: Cost of services excluding the impact of provisions for maintenance/resurfacing obligations	1,358	1,100	+258
Cost of management services	35	34	+1
Other costs	47	26	+21
Administrative expenses	87.75	62.33	+25.42


Note1: The employee cost increased YOY as a result of the rise of provision for employees housing allowances, number of employees and remuneration of toll collection staff.

Note2: Due to the improvement of South Section of Meiguan Expressway, comprehensive repair of Qianglian Class 2 Road and the increase of daily maintenance expenses of Qinglian Expressway upon its expiry of the liability period of defects, the maintenance expenses recorded a remarkable YOY increase.

- Employee expenses ^{Note1}
- Road maintenance expenses (excluding the impact of provisions for maintenance/resurfacing obligations) ^{Note2}
- Depreciation & amortisation
- Other operating costs




Financial Analysis - Cost of Services

	Cost of services		Profit before interest, tax and admin. expenses	
	2011 (RMB '000)	Change YOY (RMB '000)	2011 (RMB '000)	Change YOY (RMB '000)
TOLL ROAD				
Jihe West Exp.	94,068	+7,327	343,214	+14,183
Jihe East Exp.	232,670	+14,874	264,631	-19,019
Wuhuang Exp.	204,852	-10,318	199,902	-33,619
Meiguan Exp.	217,454	+126,762 ^{Note}	115,774	-128,372 ^{Note}
Qinglian Prj.	346,191	+85,162	109,986	-10,059
Nanguang Exp.	99,727	+14,205	108,135	+8,368
Yanpai Exp.	72,576	+7,586	91,283	+4,247
Yanba Exp.	90,651	+12,727	39,952	-81
SUB-TOTAL	1,358,189	+258,325	1,272,877	-164,352
Provisions for maintenance/resurfacing obligations	(258,096)	-414,512	258,096	+414,512
TOTAL	1,100,093	-156,187	1,530,973	+250,158

Note: During the Reporting Period, improvement works were carried out on such roads as the South Section of Meiguan Expressway, with construction cost of RMB132 million. Cost of services increased significantly and profit declined remarkably.


Financial Analysis - Investment Income

	Toll revenue (RMB '000)	Cost of services of toll highways (RMB '000)	Profit attributable to the Group (RMB '000)	Change YOY (RMB '000)
Jointly controlled entities:				
Changsha Ring Rd.	31,468	44,072	(2,238)	-4,795
Associates:				
Shuiguan Exp.	409,530	127,785	63,517	-31,656
Shuiguan Extension	71,798	49,515	(1,282)	-8,984
Yangmao Exp.	440,698	194,144	34,511	+14,642
Guangwu Prj.	235,190	109,205	16,771	+7,040
Jiangzhong Prj.	355,037	227,893	3,665	-8,471
GZ W2 Exp.	269,137	119,944	6,528	-14,983
Nanjing Third Bridge	302,378	136,261	3,408	-7,107
TOTAL	2,115,236	1,008,819	124,880 ^{Note1}	-54,314 ^{Note2}

Note1: Excluding investment income of RMB2,822,000 from Consulting Company (2010: RMB2,212,000)

Note2: Due to the profit decrease of projects such as Shuiguan Expressway, the investment income for the Reported Period recorded a decline.

Financial Analysis - Finance Costs

	2011 (RMB '000)	2010 (RMB '000) (Restated)	Change YOY (RMB '000)
ITEM	As at 31 December		
Interest expenses <small>Note</small>	550,380	504,253	+46,127
Less: Interest capitalized	(2,962)	(22,704)	-19,724
Interest income	(16,349)	(14,772)	+1,577
Exchange gain/loss and others	(34,328)	(23,912)	+10,416
Financial expenses excluding time value of provisions for maintenance/resurfacing obligations	496,741	442,865	+53,876
Add: Time value of provisions for maintenance/resurfacing obligations	50,918	46,496	+4,422
Financial expenses	547,659	489,361	+58,298

Note: Due to increase in the capital cost of the Group and increase of borrowings, interest expenses recorded a YOY increase.

Financial Analysis - Debt Ratio & Repayment

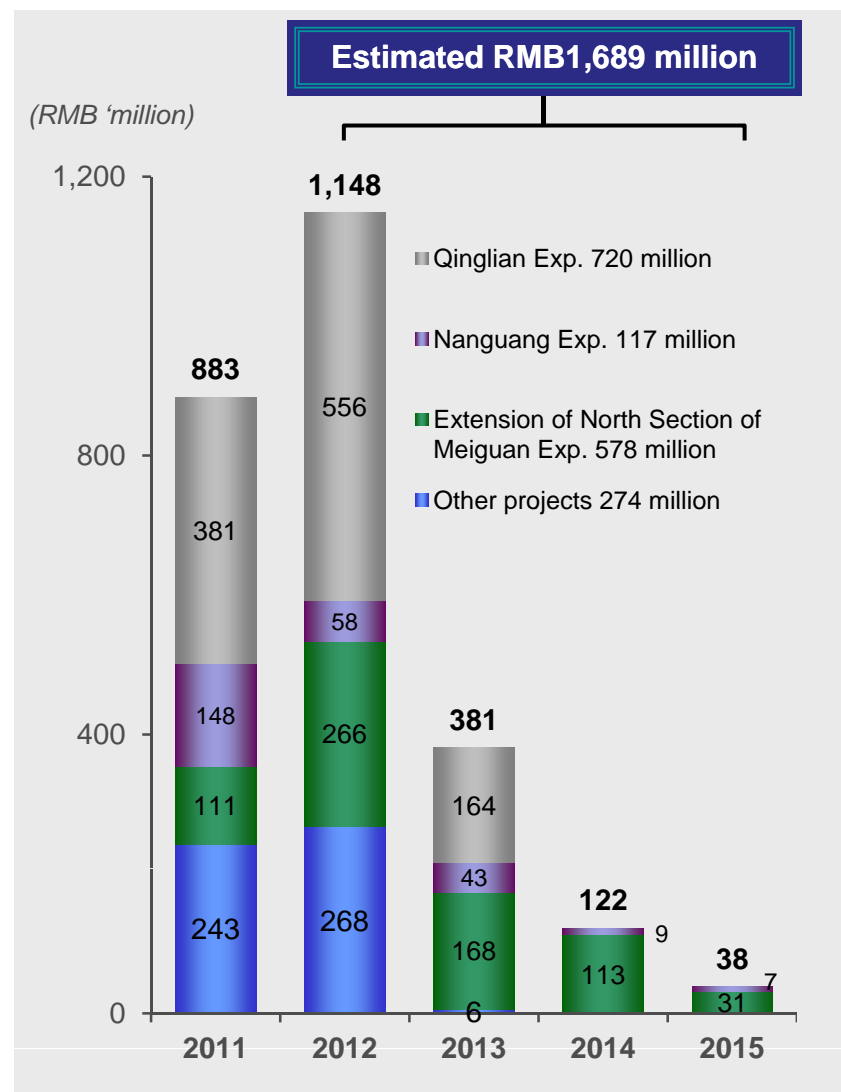
	31 December 2011	31 December 2010 (Restated)
Debt-to-asset ratio (Total liabilities / Total assets)	57.34%	56.73%
Net borrowings-to-equity ratio (Total borrowings - cash and cash equivalents) / Total equity)	82.99%	89.21%
	2011 January - December	2010 January - December (Restated)
Interest covered multiple (Profit before interests and tax / interest expenses)	2.92	2.75
EBITDA interest multiple (Earnings before interests, tax, depreciation and amortization / interest expenses)	4.10	3.94

Financial Analysis - Capital Expenditure

➤ In 2011, the Group's capital expenditures comprised mainly the reconstruction of Qinglian Class 1 Highway into an expressway, the reconstruction and extension of Meiguan Expressway and the remaining construction and investments of Nanguang Expressway, totaling approximately RMB883 million.

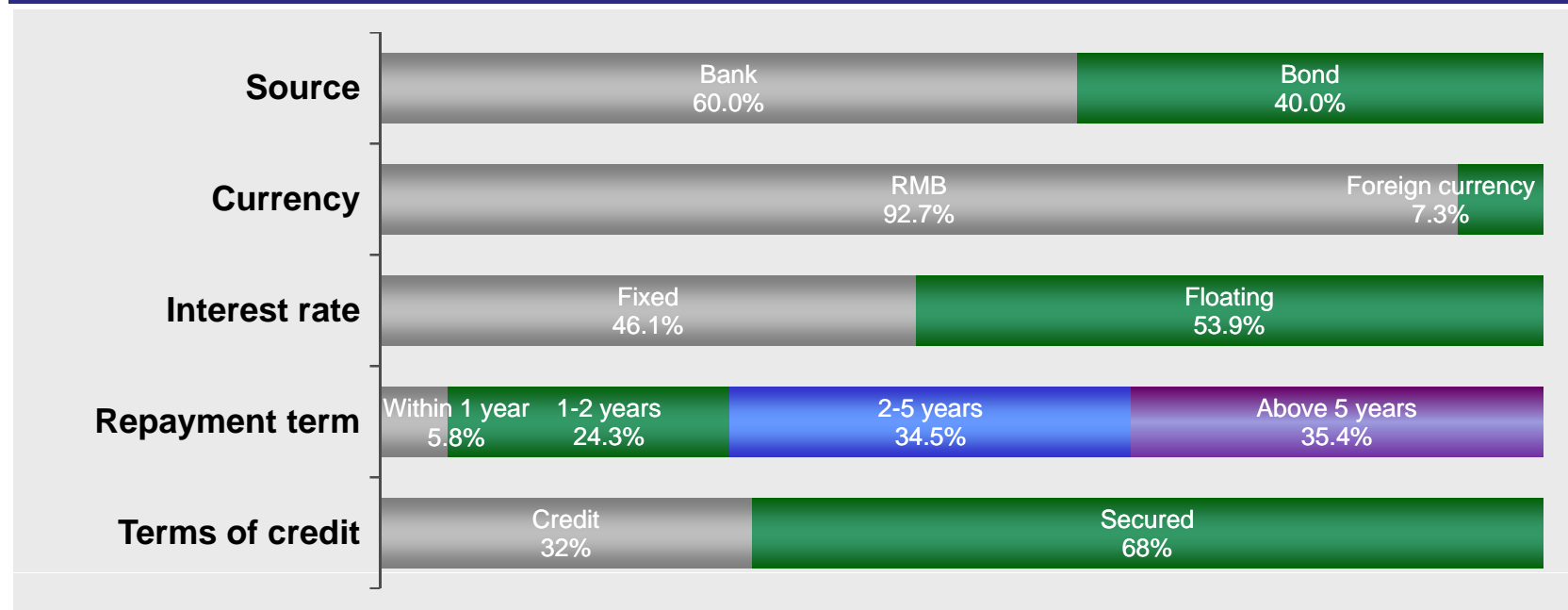
➤ During the Reporting Period, the Group's net cash inflow from operating activities and cash return on investments totaled RMB1.63 billion, representing a YOY decrease of 20%. Such decrease mainly resulted from the slowdown or decrease in growth of toll revenue generated from the major toll highways operated and invested by the Group and the increase in the cost of services during the Reporting Period.


➤ As at the end of the Reporting Period, unutilized banking facilities available amounted to RMB6.0 billion.



Financial Analysis - Borrowing Structure

Borrowing Structure (as at 31 December 2011)



	2011	2010	Change YOY
 COMPOSITE BORROWING COST			
Nominal cost	4.96%	4.77%	+0.19p.pt
Effective cost	4.34%	4.15%	+0.19p.pt



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OUTLOOK & PLANS 



Operating Environment for 2012

- In 2012, China's economic growth shows obvious slowdown while the global economy faces uncertainties. However, the long-term trend of steady development of China's economy will continue.
- It is expected that the significant changes in the overall policy on toll highways in near term are unlikely. However, the State policy on the industry further tightens.
- Credit policy is expected to remain tight in 2012 and cost of funds will remain high.
- Impact of the dilution of road network changes might persist.
- It is planning to carry out the maintenance and renovation of Jihe East. The implementation of construction might apply certain influence upon the traffic efficiency of itself and the relative roads.

Objectives in 2012

Operations and highway management

- ❑ Closely monitoring any relevant policy changes, maintaining good communication with government authorities and conducting accurate internal assessment;
- ❑ Continuing to improve service quality and ensuring road traffic efficiency and traffic capacity;
- ❑ Strengthening Qinglian Company's road network publicity and traffic flow divergence, exploring the market potential;
- ❑ Making a deep research on maintenance program, and carrying out high quality maintenance and repair works of Jihe East.

Construction management

- ❑ Ensuring the various performance targets such as safety, progress, quality, cost and environmental protection of the construction projects;
- ❑ Continuing to maintain close communication with government authorities, accelerating project payment settlement and achieving timely recovery of entrusted construction revenue.

Investment and development

- ❑ Conducting the research and negotiation in respect of the Meiguan Expressway toll collection method adjustment program;
- ❑ Enhancing the research and expansion of new industries and businesses, and promoting project progress in a prudent manner.

Financial management

- ❑ Perfecting the financial risk warning mechanism, and strengthening forecast and routine management of cash flow;
- ❑ Further optimizing the debt structure and reasonably containing cost of capital by the premise of guarantee of financial security.



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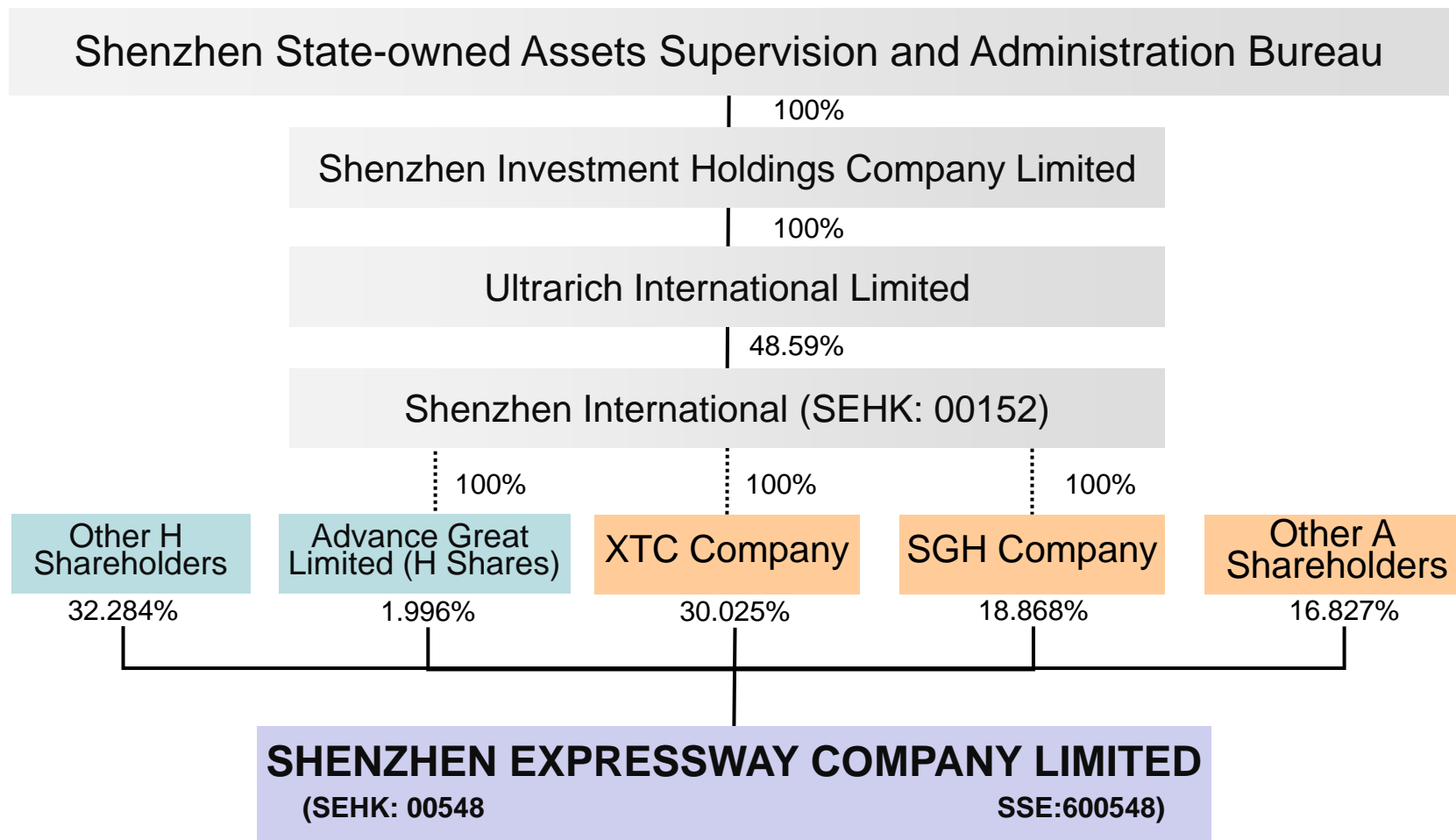
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APPENDIX

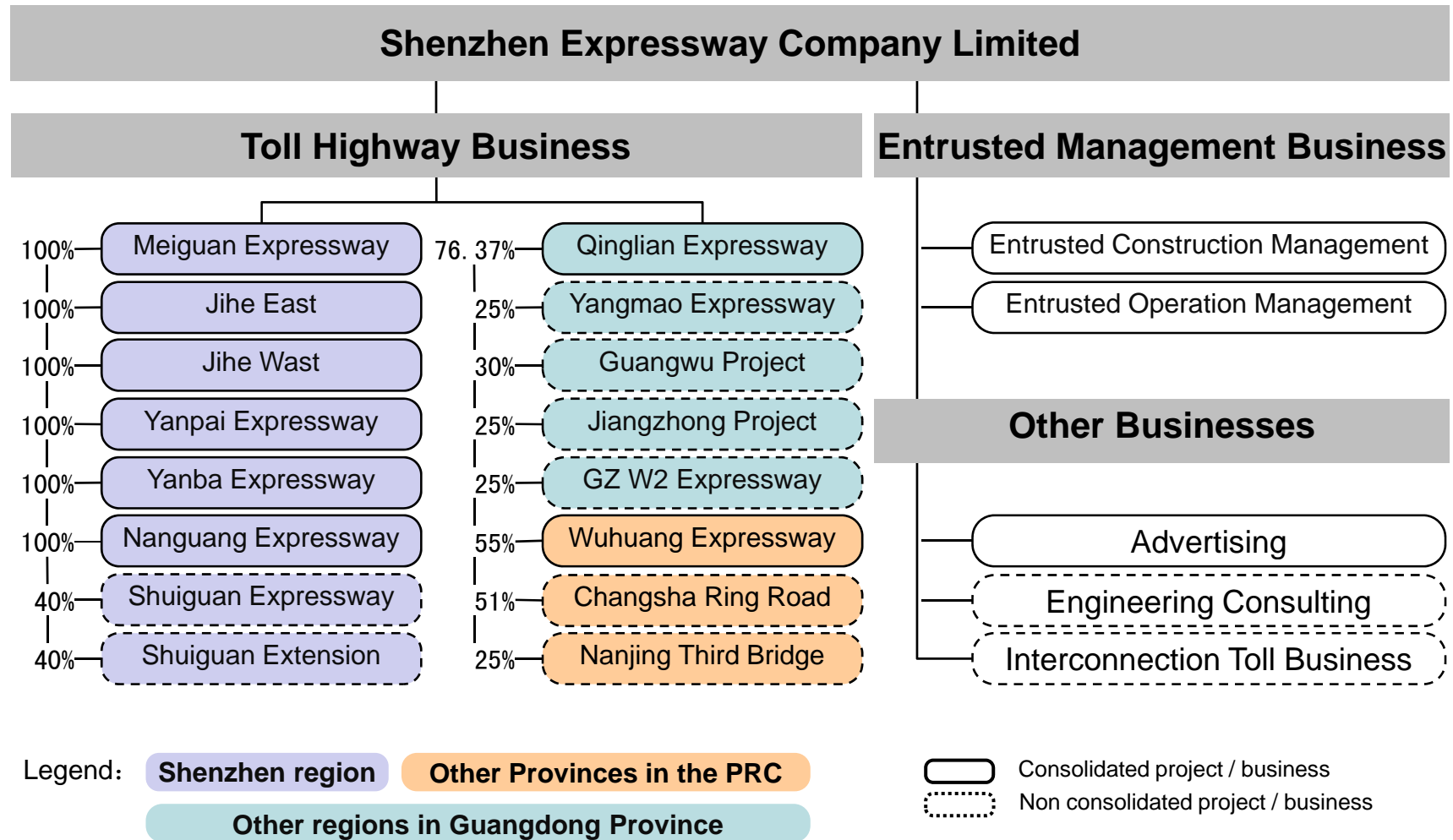


Shareholding Structure



The total share capital of the Company is 2,180,770,326, of which H shares are 747,500,000, accounting for 34.28% and domestic shares are 1,433,270,326, accounting for 65.72%.

Business Structure



Toll Highway Projects Summary

Toll Highway	Interest held by the Company	Location	Length (km)	No. of lanes	Status	Operation period
Meiguan Exp.	100%	Shenzhen	19.3	6/8	Under operation/ expansion	1995.05-2027.03
Jihe East	100%	Shenzhen	23.9	6	Under operation	1997.10-2027.03
Jihe West	100%	Shenzhen	21.7	6	Under operation	1999.05-2027.03
Yanba Exp.	100%	Shenzhen	29.1	6	Under operation	Applying for approval
Shuiguan Exp.	40%	Shenzhen	20.1	10	Under operation/ expansion	2002.02-2025.12
Shuiguan Extension	40%	Shenzhen	5.2	6	Under operation	2005.10-2025.12
Yanpai Exp.	100%	Shenzhen	15.2	6	Under operation	2006.05-2027.03
Nanguang Exp.	100%	Shenzhen	33.1	6	Under operation	2008.01-2033.01
Yangmao Exp.	25%	Guangdong	79.7	4	Under operation	2004.11-2027.07
Guangwu Prj.	30%	Guangdong	39.8	4	Under operation	2004.12-2027.11
Jiangzhong Prj.	25%	Guangdong	37.5	4	Under operation	2005.11-2027.08
GZ W2 Exp.	25%	Guangdong	42.0	6	Under operation	Applying for approval
Qinglian Prj. -Qinglian Exp. -Qinglian Class 2 Rd.	76.37%	Guangdong	- 216 - 253	- 4 - 2	- Under operation - Under maintenance	2009.07-2034.07 Toll collection suspended
Wuhuang Exp.	55%	Hubei	70.3	4	Under operation	1997.09-2022.09
Changsha Ring Rd.	51%	Hunan	34.5	4	Under operation	1999.11-2029.12
Nanjing Third Bridge	25%	Jiangsu	15.6	6	Under operation	2005.10-2035.10

Average Daily Mixed Traffic Volume

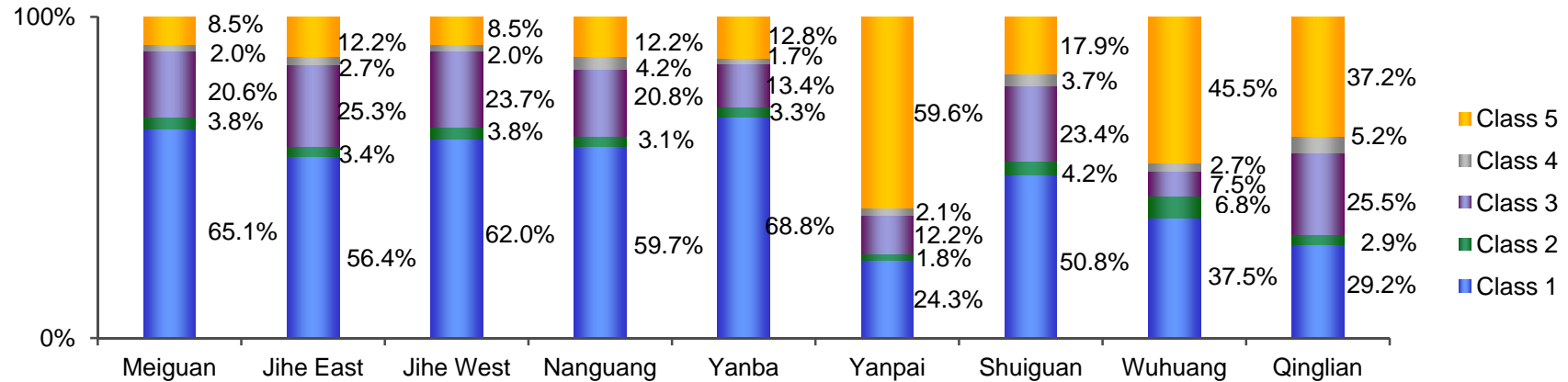
<i>(Number of vehicles)</i>	2007	2008	2009	2010	2011
Shenzhen Region					
Meiguan Exp.	98,285	92,744	98,318	117,244	118,976
Jihe East	88,675	90,991	93,019	111,530	118,215
Jihe West	65,741	67,661	72,800	91,111	99,390
Yanba Exp.	12,492	13,879	16,509	24,313	27,610
Yanpai Exp.	26,313	31,898	33,763	39,734	38,501
Nanguang Exp.	N/A	16,336	32,212	50,612	55,995
Shuiguan Exp.	103,236	106,241	118,064	134,561	124,714
Shuiguan Extension	28,086	28,181	32,294	40,485	31,941
Other Regions in Guangdong Province					
Qinglian Exp.	N/A	N/A	16,011	18,292	21,445
Yangmao Exp.	16,205	18,119	17,795	20,066	23,477
Guangwu Prj.	9,185	9,806	11,190	17,475	23,089
Jiangzhong Prj.	39,492	45,344	50,899	68,476	90,270
GZ W2 Exp.	6,165	9,574	14,883	28,768	33,493
Other Provinces in the PRC					
Wuhuang Exp.	27,846	29,140	32,412	38,034	37,856
Changsha Ring Rd.	5,791	6,020	7,342	8,558	9,516
Nanjing Third Bridge	16,788	18,334	20,029	22,057	23,293

Average Daily Toll Revenue

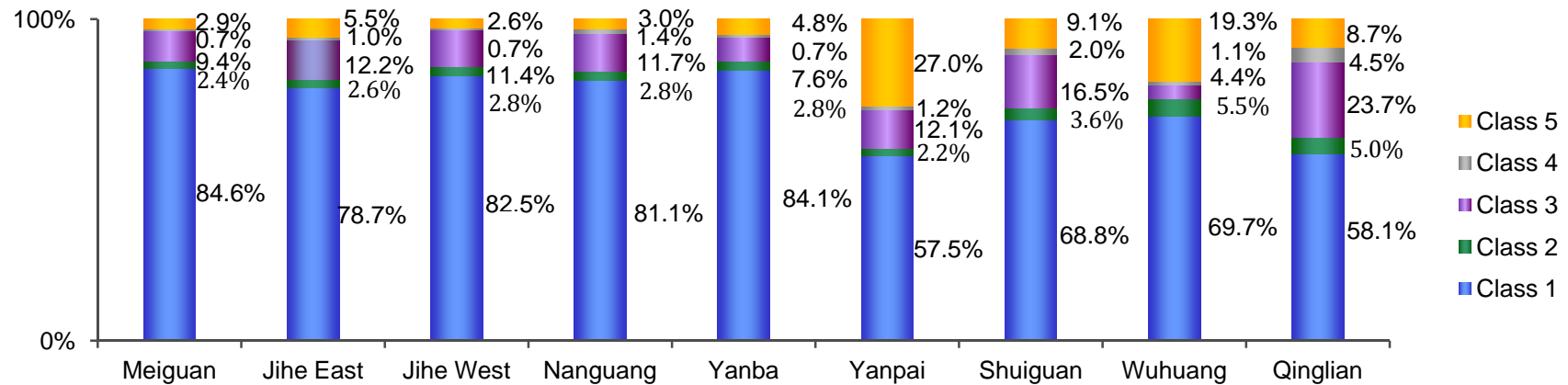
(RMB '000)	2007	2008	2009	2010	2011
Shenzhen Region					
Meiguan Exp.	903.0	791.8	814.0	951.4	943.2
Jihe East	1,150.6	1,227.3	1,242.0	1,414.7	1,407.1
Jihe West	945.1	937.3	951.4	1,169.2	1,229.9
Yanba Exp.	172.7	195.6	213.4	335.4	369.3
Yanpai Exp.	370.1	407.0	382.6	428.6	463.8
Nanguang Exp.	N/A	176.0	302.9	523.5	589.0
Shuiguan Exp.	964.8	1,006.0	1,072.4	1,229.9	1,122.0
Shuiguan Extension	181.9	178.9	202.5	250.6	196.7
Other Regions in Guangdong Province					
Qinglian Exp.	N/A	N/A	829.9	1,036.8	1,280.4
Yangmao Exp.	913.1	902.3	967.5	1,094.9	1,209.4
Guangwu Prj.	266.0	265.0	305.7	471.9	644.4
Jiangzhong Prj.	581.8	651.8	707.2	870.2	972.4
GZ W2 Exp.	180.7	301.5	471.0	672.3	740.0
Other Provinces in the PRC					
Wuhuang Exp.	1,052.0	1,017.1	1,090.0	1,268.3	1,146.2
Changsha Ring Rd.	61.6	60.5	63.6	72.8	86.3
Nanjing Third Bridge	629.3	640.1	672.1	782.9	828.6

Vehicle Category of Major Highways

By Revenue



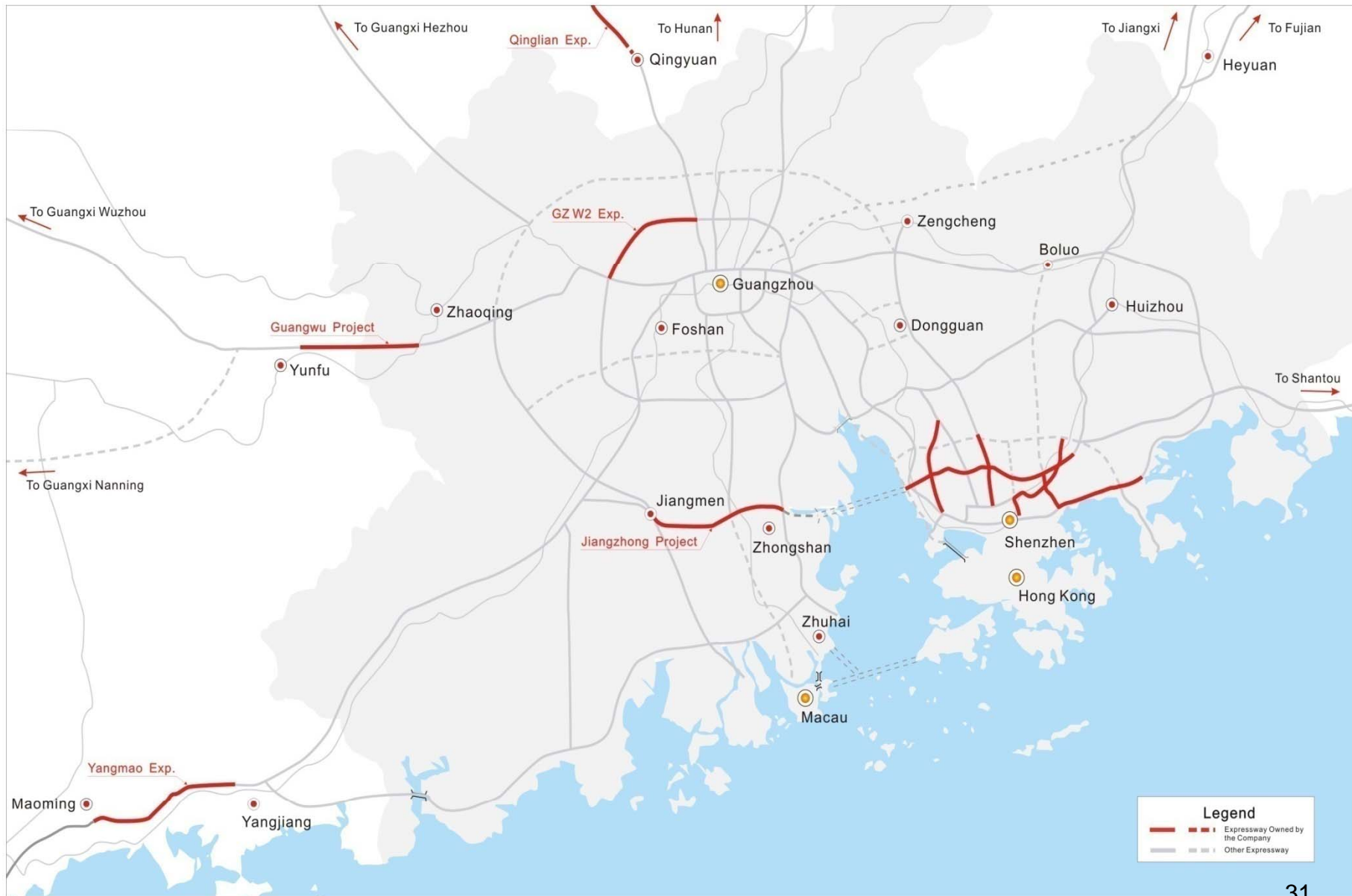
By Traffic Volume



Road Network of Shenzhen



Road Network of Pearl River Delta



Road Network of Qinglian Expressway



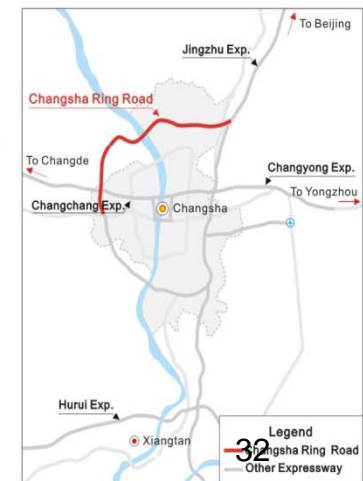
Road Network of Wuhuang Expressway



Road Network of Nanjing Third Bridge



Road Network of Changsha Ring Road





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Company Declaration

All information presented in the material is available to the public and for the purpose of understanding the operation and the development planning of the Company. The Company might adjust the contents without pre-notice. Besides, the Company wishes to remind investors that the data does not constitute an invitation to trade the Company's stock and the Company does not guarantee the performance of the stock in the future.

There might be differences between the atlas and the actual road network. The atlas is prepared for investors to understand the business of the Company only.