



Developing in Stability



Report of the Directors

The Board is pleased to present herewith the Report of the Directors and the audited financial statements of the Company and the Group for the year ended 31 December 2007.

DETAILS OF THE COMPANY

The Company was established as a joint stock limited company in the PRC on 30 December 1996 and its H Shares and A Shares were listed on HKEx and SSE on 12 March 1997 and 25 December 2001, respectively.

SUMMARY OF THE REPORT OF THE BOARD

During year 2007, eight board meetings were held, of which details are set out in the section "Corporate Governance Report" of this annual report.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the investment, construction and operation management of toll highways and roads in the PRC. During the Reporting Period, there is no substantial change in respect of the Group's businesses.

An analysis of the Group's revenue and contributions to operating profit for the Reporting Period is set out in the section of "Management Discussion and Analysis" of this annual report.

An analysis of the Group's revenue and contributions to operating profit in terms of business segments for the Reporting Period is set out in note 5 to the Financial Statements.

Report of the Directors

MAJOR CUSTOMERS AND SUPPLIERS

No further disclosures with regard to the Group's major customers and suppliers are made since the Group's major customers are users of its toll highways while there is normally no major purchase in relation to its ordinary course of business. During the Reporting Period, the revenue from the Group's top five customers and the amount of purchases from the Group's top five suppliers accounted for no more than 30% of the Group's total revenue and total amount of purchases, respectively.

FINANCIAL RESULTS

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement of the Financial Statements attached in this annual report on page 103.

The financial positions of the Group and the Company as at 31 December 2007 are set out in the balance sheets of the Financial Statements attached in this annual report on pages 99 to 102.

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 2 to 3 of this annual report.

DIVIDENDS

1. Proposed final dividend for the year 2007

The Board recommended the payment of a final dividend of RMB0.16 per share (tax included) to all shareholders, totalling RMB348,912,000, for the year ended 31 December 2007. Such dividend shall be subject to the approval by shareholders at the 2007 Annual General Meeting.

According to the Articles, the dividend distributed to the shareholders of domestic shares will be paid in RMB. The dividend distributed to the shareholders of H Shares will be paid in HK\$ by reference to the average exchange rate for converting RMB into HK\$ quoted by the People's Bank of China for the five working days preceding the day on which the final dividend is declared.

2. Dividend scheme of the year 2006 and its implementation

Pursuant to the approval at the 2006 Annual General Meeting, the Company paid a final dividend of RMB0.13 per share for year 2006 to all shareholders on the basis of the total share capital comprising 2,180,700,000 shares as at the year end of 2006, totalling RMB283,491,000. Such dividend distributions had been completed before 20 June 2007.

DIRECTORS AND SUPERVISORS

1. The details of the Directors and the Supervisors are set out in the section "Directors, Supervisors and Senior Management" of this annual report.
2. Directors' service contracts

Each of the Directors has entered into a service contract with the Company. Contents of such contracts are the same in all material respects. All such service contracts are effective from 1 January 2006 to 31 December 2008. Save as the aforesaid, no service contracts that can be terminated within one year with compensation payable as a result (other than general statutory compensation) have been or proposed to be entered into between the Company and the Directors or the Supervisors.

3. Directors' and Supervisors' interests in contracts

As at the end of the Reporting Period or at any time during the Reporting Period, no material contract to which the Company or its subsidiaries was a party and in which the Directors or the Supervisors of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Reporting Period or at any time during the Reporting Period (excluding service contracts).

4. During the Reporting Period, the Group has not directly or indirectly provided loans to or guarantee to the debts of the Directors, the Supervisors and senior management of the Company or its controlling shareholder(s) or their respective connected persons.

ELECTIONS AND CHANGES OF DIRECTORS, SUPERVISORS AND APPOINTMENTS OF SENIOR MANAGEMENT

1. The former Technical Controller, Mr. Fan Li Pin, resigned due to personal reasons. The resignation was affirmed by the Board and was effective from 30 March 2007.

2. On 17 July 2007, the Supervisory Committee considered and approved at the 11th meeting of the fourth session of the Supervisory Committee the resignation of Mr. Zhong Shan Qun, Supervisor, due to the work commitments, and the election of Mr. Jiang Lu Ming as a candidate for Supervisor.

On 3 September 2007, the First Extraordinary General Meeting 2007 of the Company considered and approved the proposal relating to the election of Supervisor, and Mr. Jiang Lu Ming was appointed as Supervisor of the Company, for a term of office from the appointment date to 31 December 2008. The resignation of Mr. Zhong Shan Qun was effective from the holding of the general meeting. On the same day, Mr. Jiang Lu Ming was elected as Chairman of the Supervisory Committee at the 13th meeting of the fourth session of the Supervisory Committee.

3. On 24 August 2007, the Board considered and approved at the 13th meeting of the fourth session of the Board the proposal on the reappointments of the senior management of the Company, and agreed to the reappointments of Li Jian, Ge Fei, Gong Tao Tao, Wu Xian as the senior management members of the Company for a term of office of two years. For the purposes of enhancing the management structure and unifying the management, as approval by the Board, the positions and terms of office of senior management were adjusted to August 2009. The detailed positions are set out in the section "Directors, Supervisors and Senior Management" of this annual report.

4. On 14 September 2007, the Board agreed to the reappointment of Ms. Wu Qian as Secretary of the Board and Company Secretary by means of written resolution for a term of office until 31 August 2009. The former Joint Company Secretary, Mr. Tse Yat Hong, ceased to be a Joint Company Secretary upon the expiry of his service contract with the Company on 12 September 2007.

EMOLUMENTS OF THE DIRECTORS, THE SUPERVISORS AND SENIOR MANAGEMENT

The emoluments of the Directors and Supervisors of the Company are determined in accordance with relevant PRC policies and regulations with reference to the Company's actual situation and prevailing market conditions, subject to approval at the general meeting after separate deliberations by the Board and the Supervisory Committee. During the Reporting Period, the Remuneration Committee of the Board was responsible for formulating the proposal for the Directors' remunerations to the Board.

In the year 2007, four Independent Directors and Mr. Chiu Chi Cheong, Clifton, a Director not nominated by shareholders, received Directors' emoluments. Mr. Jiang Lu Ming, Chairman of the Supervisory Committee, received Supervisor's emoluments while other Directors and Supervisors did not obtain any Director's emoluments or Supervisor's emoluments. All Directors and Supervisors received meeting subsidies in accordance with the relevant rules. Executive Directors and the Supervisor representing staff received management remuneration in accordance with their specific management positions in the Company. Information relating to the remuneration policy of the Company and the performance appraisal and incentive scheme for senior management is set out in "Human Resources" of "Management Discussion and Analysis" of this annual report.

Report of the Directors

Details of the remuneration received by the Directors, Supervisors and senior management holding a post as at the end of the Period of the Company in the year 2007 are as follows:

Unit: RMB'000 (before tax)

Name	Total remuneration received from the Company during the Reporting Period			Whether receive remuneration from shareholder or other connected entities	
	Director's/ Supervisor's emolument	Meeting subsidies	Management remuneration ^{Note 1}		
Executive Director					
Yang Hai		— ^{Note 2}	958	958	No
Wu Ya De		— ^{Note 2}	1,049	1,049	No
Non-executive Director					
Li Jing Qi		— ^{Note 2}		—	Yes
Wang Ji Zhong		10		10	Yes
Liu Jun		— ^{Note 2}		—	Yes
Lin Xiang Ke		10		10	Yes
Zhang Yang		13		13	Yes
Chiu Chi Cheong, Clifton ^{Note 3}	(HK\$)300	11		293	No
Independent Director					
Li Zhi Zheng	150	13		163	No
Zhang Zhi Xue	150	11		161	No
Poon Kai Leung, James ^{Note 3}	(HK\$)150	15		156	No
Wong Kam Ling ^{Note 3}	(HK\$)150	14		155	No
Supervisor					
Jiang Lu Ming ^{Note 4}	248 ^{Note 4}	3		251	No
Zhang Yi Ping		9		9	Yes
Yi Ai Guo ^{Note 5}		9	489	498	No
Senior Management					
Li Jian ^{Note 5}			641	641	No
Ge Fei ^{Note 5}			675	675	No
Zhou Qing Ming ^{Note 5}			641	641	No
Gong Tao Tao ^{Note 5}			763	763	No
Wu Xian ^{Note 5}			854	854 ^{Note 6}	No
Wu Qian			727	727	No
Total				8,027	

Notes:

1. The management remuneration comprises three parts, namely position salary, performance bonus and benefits, including the contributions to social retirement insurance, other kinds of social insurance and the supplemental retirement scheme.
2. Yang Hai, Wu Ya De, Li Jing Qi and Liu Jun, Directors, declined the meeting subsidies receivable of RMB13,000, RMB13,000, RMB8,000 and RMB7,000 respectively for the Year.
3. For the purpose of conversion, amounts in HK\$ have been converted into RMB using an exchange rate of HK\$1 = RMB0.94.
4. Jiang Lu Ming has been appointed as a Supervisor since 3 September 2007. As approved at the general meeting, he will receive annual emoluments of RMB613,000 (tax inclusive) and corresponding fringe benefits paid in accordance with the unified standards imposed by the government and adopted by the Company, including the contributions to social retirement insurance, other kinds of social insurance and the supplemental retirement scheme. Zhong Shan Qun, a former Supervisor, ceased to be a Supervisor since 3 September 2007. In 2007, he received meeting subsidies of RMB4,000 during his term of office.
5. According to the relevant policy guidelines of the Shenzhen Municipal Government, the Company adopts a business vehicle reform plan. For the management staff who participate in the plan, the Company will pay certain monthly vehicle subsidies in lieu of providing or arranging business vehicles for them. During the Reporting Period, Supervisor Yi Ai Guo and some senior management members namely, Li Jian, Ge Fei, Zhou Qing Ming, Gong Tao Tao and Wu Xian, participated in the above plan. During the Reporting Period, the aforesaid persons received vehicle subsidies of RMB43,000, RMB60,000, RMB49,000, RMB60,000, RMB60,000 and RMB38,000 respectively.
6. The remuneration received by Mr. Wu Xian, a senior management, includes RMB350,000 of performance bonus paid by Qianglian Company.

DISCLOSURE OF INTERESTS

1. As at 31 December 2007, none of the Directors, Supervisors or senior management had interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be entered into the register maintained by the Company under Section 352 of the SFO (including deemed interests and short positions under such provisions of the SFO) or which were required to be notified to the Company and HKEx pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers".
2. None of the Directors, Supervisors or senior management is materially interested in any contract or arrangement entered into by any member of the Group which contract or arrangement is subsisting at the date of this annual report and which is significant in relation to the business of the Group.

SHARE CAPITAL

The total share capital of the Company was RMB2,180,700,000 with details set out in note 17 to the Financial Statements.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Save for the issue and listing of the securities disclosed in the section of "Profiles of Securities and Shareholders" of this annual report, during the Reporting Period, no listing securities of the Company were purchased, sold or redeemed by the Company, any of its subsidiaries or any of its jointly controlled entities.

PRE-EMPTIVE RIGHTS

According to the Articles and the PRC laws, there are no provisions for pre-emptive rights requiring the Company to offer new shares to the existing shareholders in proportion to their shareholdings if new shares are issued.

Report of the Directors

RESERVES

The amounts and particulars of material transfers to and from reserves of the Group and the Company during the Reporting Period are set out in note 18 to the Financial Statements.

FIXED ASSETS

The movements in fixed assets of the Group and the Company during the Reporting Period are set out in note 6 to the Financial Statements.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings of the Group and the Company as at the end of the Reporting Period are set out in note 19 to the Financial Statements.

INTEREST CAPITALISED

The amount of interest capitalized by the Group and the Company during the Reporting Period are set out in note 27 to the Financial Statements.

INCOME TAX AND BUSINESS TAX

Details of income tax and business tax of the Group during the Reporting Period are set out in notes 28 and 25(a) to the Financial Statements respectively.

TRUST DEPOSITS AND OVERDUE TIME DEPOSITS

During the Reporting Period, the Group did not have any trust deposit or overdue time deposit.

SUBSIDIARIES AND JOINTLY CONTROLLED ENTITIES

Details of the Company's subsidiaries and jointly controlled entities are set out in notes 9 and 11 to the Financial Statements respectively.

MATERIAL LITIGATION AND ARBITRATION

During the Reporting Period, there is no material litigation or arbitration arising in connection with the Company or its subsidiaries nor is there any material prior litigation or arbitration subsisting in the Reporting Period.

INVESTMENTS AND ACQUISITIONS

Please refer to "Business Review and Analysis" of "Management Discussion and Analysis" of this annual report for details of the investments and acquisitions of the Company in the Reporting Period.

CONNECTED TRANSACTIONS

During the Reporting Period, there was no connected transaction which has to be disclosed occurred by the Company or its subsidiaries in accordance with the Listing Rules.

FUNDS TRANSACTION AND GUARANTEE BETWEEN CONNECTED PARTIES

Advances and liabilities or guarantees related to the connected parties (as defined in the relevant PRC regulatory rules) are as follows:

Unit: RMB'000

Connected party	Fund provided to the connected parties		Fund provided to the Company by the connected parties	
	Amount accrued	Balance	Amount accrued	Balance
Baotong Company	30,041	30,041 ^(Note 1)	—	—
Magerk Company	—	—	21,300 ^(Note 2)	21,300
Nanjing Company	—	—	26,250 ^(Note 3)	46,500
Total	30,041	30,041	47,550	67,800

1. The Company had made an advanced payment in an amount of RMB30,040,710 for Baotong Company as construction costs and relevant interests in respect of the construction part of the connecting roads between Longda Expressway (Longhua in Shenzhen – Dalingshan in Dongguan) and Jihe Expressway. In June 2007, the Company entered into a written agreement with Baotong Company and confirmed such payment, thereby forming other receivables of RMB30,040,710 for the Company. In October 2007, Shenzhen International (indirectly holds 31.153% shares of the Company through its subsidiaries) entered into an agreement for the acquisition of 100% interests in Baotong Company and the relevant industry and commerce registration was completed on 29 December 2007. Therefore, the aforesaid payment became credit/liabilities between the Company and connected parties. In order to settle the balance of funds transaction between connected parties, which is caused by the debtor being acquired by a connected party, the Company recovered in full the aforesaid payment on 9 January 2008 after active coordination by the relevant parties.
2. Other payables for Magerk Company is funds transaction between the Company and Magerk Company. As at the date of this report, the funds has been settled.
3. Other payables for Nanjing Company is the pre-distributed dividends from Nanjing Company.

Besides, the loan in a sum of US\$2,308,673.43 from the Spanish Government on-lent by China Construction Bank was secured by a substantial shareholder of the Company, XTC Company.

OTHER MATERIAL CONTRACTS

In addition to those contracts related to the acquisitions as stated in this annual report, other material contracts of the group during the Reporting Period were as follows:

1. Management contract:

Pursuant to a contract dated 7 June 1995 together with subsequent amendments thereof, the Company's jointly controlled entity, Magerk Company, entrusted the toll collection of Wuhaung Expressway and the usage, management, preservation, maintenance and repair of Wuhaung Expressway and its ancillary facilities to 湖北省高級公路管理路 (Hubei Bureau for the Administration of Higher Class Public Roads), or other sub-contractors whom it may designate from time to time. (湖北省武黃高速公路管理經營有限公司 (Hubei Wuhaung Expressway Management Co. Ltd.) is the sub-contractor currently designated.) Throughout the operating period of Wuhaung Expressway, the service was charged at a fee which is equivalent to a fixed percentage of the toll revenues. The aforesaid matter was disclosed in the announcement and circular of the Company in relation to the acquisition of interests in Wuhaung Expressway by the Company.

For the year 2007, investment income of the Company from Wuhaung Expressway amounted to RMB37,946,000, and amounted to RMB84,396,000 after excluding the impact of deferred income tax, representing 5.63% and 12.52% of the profit attributable to equity holders of the Company, respectively. The amount of entrusted management fees accounted for by Magerk Company during the Reporting Period was RMB96,953,000. The aforesaid management contract has no material impact on the financial status and operating results of the Group.

2. Mortgage and Pledge of Assets and Guarantees

As at the end of the Reporting Period, the Group had the following assets mortgaged or pledged and guarantees:

Asset	Type	Bank	Scope of security	Terms
154,000,000 shares of JEL Company (Note 1)	Mortgage	Industrial and Commercial Bank of China (Asia) Limited	Principal and interests of a HK\$680 million bank loan	Until repayment of all liabilities by Mei Wah Company under the loan agreement
Toll collection rights of Qinglian project (Note 2)	Pledge	A consortium including China Development Bank, etc.	Principal and interests of bank loans in an aggregate amount of RMB4.66 billion	Until repayment of all liabilities by Qinglian Company under the load agreement
100% interests in Meiguan Company (Note 3)	Pledge	China Construction Bank Shenzhen Branch	Counter-guarantee for the unconditional and irrevocable guarantee with joint liability in respect of the redemption of the corporate bonds with an amount of RMB800 million upon maturity	Until repayment of corporate bonds (principal and interests)

1. Pledged by the subsidiary Mei Wah Company; as at the end of the Reporting Period, the balance of such loan guaranteed was HK\$102 million.
2. Pledged by Qinglian Company, a subsidiary of the Company. On 19 May 2006, Qinglian Company entered into agreements with lending banks, and pledged the following interests in favor of the lending banks for the loans of an aggregate amount of RMB4.66 billion: (a) toll collection rights of Qinglian Class 1 Highway and Qinglian Class 2 Road during the reconstruction period of Qinglian Class 1 Highway into an expressway; (b) toll collection rights of Qinglian Expressway and Qinglian Class 2 Road after completion of the reconstruction of Qinglian Class 1 Highway into an expressway.
3. Pursuant to an agreement entered into by the Company and China Construction Bank Corporation Shenzhen Branch signed on 20 April 2007, the Company provided a pledge of its 100% interest in Meiguan Company in favor of China Construction Bank Corporation Shenzhen Branch, as a counter-guarantee to it for the unconditional and irrevocable guarantee with joint liability in respect of the redemption of the corporate bonds issued by the Company with an amount of RMB800 million upon maturity. As stipulated by the agreement, the pledging procedure for the aforesaid interest was completed in August 2007. Please refer to "Summary of the General Meetings" of "Profiles of Securities and Shareholders" of this annual report for the matters relating to the approval of the counter-guarantee by the general meeting.

Save as disclosed above, the Company did not enter into any contract in respect of the management and administration of its overall business or any material business, nor did it enter into any other material contracts in relation to entrustment, subcontracting, leasing, guarantee or cash assets management during the Reporting Period. Furthermore, there were no such prior material contracts subsisting during the Reporting Period.

The Independent Directors of the Company have, in accordance with the relevant regulations of the CSRC, delivered specific explanations and independent opinions in relation to the external guarantees of the Company.

Report of the Directors

UNDERTAKING

1. The shareholders of the Company, XTC Company and 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 Shenzhen in any industry or business in any form, which, directly or indirectly, competes with the Company. As at the end of the Reporting Period, the Company did not notice violation of such undertaking by the above two major shareholders.
2. Special undertakings and the fulfillment made by the shareholders during the process of Share Segregation Reform:

Name of shareholders	Special undertakings	Fulfillment
XTC Company	1. Within 36 months from the day of granting listing status to the unlisted shares of the Company held by them, they shall not trade such shares on the stock exchanges;	
SGH Company	2. During three consecutive years immediately following the completion of implementation of the Share Segregation Reform, they shall propose resolutions at the annual general meeting of the Company that the Company shall distribute at least 50% of the profit available for distribution in the corresponding periods as cash dividends to the shareholders, and they shall vote for such resolutions at the annual general meeting;	The Company did not notice that these shareholders had violated such undertakings during the Report Period.
Huajian Centre		
GDRB Company	3. They shall pay all relevant expenses arising from the Share Segregation Reform in proportion to their shareholdings.	

3. Shenzhen International (indirectly holds 31.153% shares of the Company through XTC Company and its another subsidiaries) announced on 18 October 2007 that it proposed to acquire 100% equity interest in SGH Company through its wholly-owned subsidiary, Yiwang Industry. After the completion of the acquisition, Shenzhen International will in aggregate indirectly hold 50.021% shares of the Company. Details of the acquisition are set out in "Information of the de facto Controller" in the section of "Profiles of Securities and Shareholders".

Shenzhen International and Yiwang Industry made the following 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:

1. SGH Company shall be procured to continue to comply with the relevant undertakings made under the Share Segregation Reform of Shenzhen Expressway.
2. In order to avoid any competition in the future, Shenzhen International and Yiwang Industry undertake that:

Without the approval of the Board of Shenzhen Expressway and written consent from the Independent Directors of Shenzhen Expressway, Shenzhen International and Yiwang Industry shall not, severally or jointly with any other person or company, directly and indirectly engage in any business which competes with the principal business of the Company save and except for the following circumstances:

- 1) The interests of a company to be invested in or acquired are 5% or less (5% inclusive).
 - 2) Where business opportunities which are similar to the principal business of Shenzhen Expressway arise, Shenzhen International and Yiwang Industry shall make their best effort to procure that such business opportunities could be transferred to Shenzhen Expressway (including but not limited to obtaining consent from third parties) and Shenzhen Expressway shall have a right of first refusal to take up such business opportunities. If Shenzhen Expressway does not exercise the right of first refusal, Shenzhen International may invest in or transfer such business opportunities to other subsidiaries.
 - 3) If Shenzhen Expressway considers that the business invested in by Shenzhen International or Yiwang Industry competes with Shenzhen Expressway’s business, Shenzhen International and Yiwang Industry shall resolve in a way permitted under laws and regulations or by regulatory authorities (including but not limited to transfer, entrusted operation, entrusted management, lease, operating lease, etc.) and Shenzhen Expressway shall have a right to choose a reasonable and fair solution.
 - 4) Shenzhen International may invest in or acquire such business in advance if such investment or acquisition is made from the perspectives of maximising the group’s benefits or carrying out its development strategies, and necessary arrangements have been made to enable such business to be transferred to Shenzhen Expressway in the course of investment or acquisition. Shenzhen International shall resolve such matter in a way pursuant to paragraph 3 above within three years from the date of investment or acquisition of such business. If it fails to resolve such matter in time (except that written consent has been obtained from the Independent Directors of Shenzhen Expressway), Shenzhen International shall transfer such business to an independent third party and the Company shall have a pre-emptive right under the same conditions.
3. Upon completion of the transaction, connected transactions with the Company should be avoided if possible. In case that such connected transactions are necessary and unavoidable, the parties shall ensure that such transactions are entered into at arm’s length negotiation and of fair value, and that such transactions are conducted in compliance with the procedures and disclosure obligations required by relevant laws and regulations as well as requirements under any regulatory documents.

As at the end of Reporting Period, the aforesaid acquisition was not completed yet.

Report of the Directors

SUBSEQUENT EVENTS

On 7 January 2008, the Company entered into an entrusted management agreement with 怡實實業（深圳）有限公司 (Yibin Industrial (Shenzhen) Company Limited), a wholly-owned subsidiary of Shenzhen International. Pursuant to the entrusted management agreement, 怡實實業（深圳）有限公司 (Yibin Industrial (Shenzhen) Company Limited) entrusted the Company to manage the operation of its 100% equity interest in Baotong Company and 89.93% equity interest in 深圳龍大高速公路有限公司 (Shenzhen Longda Expressway Company Limited) owned by Baotong Company. The term of the entrusted management is from 8 January 2008 to 31 December 2009. The entrusted management fees are calculated on an annual basis at RMB15 million or 8% of the audited net profit of 深圳龍大高速公路有限公司 (Shenzhen Longda Expressway Company Limited) (but in any event shall not exceed RMB25 million), whichever is the higher. 深圳龍大高速公路有限公司 (Shenzhen Longda Expressway Company Limited) is principally engaged in toll collection, maintenance, management and development of Longda Expressway. Pursuant to the Listing Rules of HKEx, 怡實實業（深圳）有限公司 (Yibin Industrial (Shenzhen) Company Limited) is a connected person of the Company and the transaction constitutes a continuing connected transaction of the Company. Details of the transaction is available in the announcement of the Company dated 8 January 2008, which was published on the website of HKEx (<http://www.hkex.com.hk>) and the Company (<http://www.sz-expressway.com>).

RESULTS REVIEW

The Audit Committee of the Company has reviewed and confirmed the annual results announcement and the annual report for the twelve months ended 31 December 2007.

AUDITORS

The details of the appointment and remuneration of the auditors are set out in the section “Corporate Governance Report” of this annual report.

NAME OF DIRECTORS

As at the date of this report, 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. Wang Ji Zhong (Non-executive Director), Mr. Liu Jun (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. Li Zhi Zheng (Independent Director), Mr. Zhang Zhi Xue (Independent Director), Mr. Poon Kai Leung, James (Independent Director) and Mr. Wong Kam Ling (Independent Director).

By Order of the Board

Yang Hai

Chairman

Shenzhen, PRC, 14 March 2008