

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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: 548)

ANNOUNCEMENT BOARD RESOLUTIONS

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company and all members of the Board warrant for the truthfulness, accuracy and completeness of the contents of this announcement, and accept joint responsibilities for the false information, misleading statements or material omissions in this announcement.

Announcement is hereby given that the sixteenth meeting of the forth session of the Board of Directors (the "Board") of Shenzhen Expressway Company Limited (the "Company") was held at the conference room of Kylin Villa, Xili, Shenzhen, the People's Republic of China on 14 March 2008 (Friday). 12 directors of the Company, who are eligible to attend the meeting, all attended the meeting in person. The supervisors of the Company were also present in the meeting as observer. The meeting was convened in accordance with the relevant provisions of the Company Law of the People's Republic of China and the Articles of Association of the Company. The following matters were considered and approved at the meeting:

1. Considered and approved each resolution relating to the annual final financial report item-by-item:
 - 1) Considered and approved the resolution relating to impairment provision for assets:

As the rise in market interest rates led to a corresponding rise in discount rates based on which the Company calculated the projected present values of cash flows from assets. In addition, projected cash outflows from assets increased as a result of rising inflation. Accordingly, the Company conducted impairment tests on the Changsha Ring Road assets for which impairment provisions had already been made in the past years, as well as appointing 開元信德資產評估有限公司(Kaiyuan Xinde Valuer Co., Ltd.), which is a qualified valuer for securities-related business, to assess the value in use of Changsha Ring Road over its remaining operating period. Pursuant to the valuation for Changsha Ring Road, the Group made an impairment provision of RMB89,000,000 during the Reporting Period for the Group's 51% interests in Changsha Ring Road. After deducting the corresponding deferred income tax, net profit for the Reporting Period decreased by RMB66,750,000. As at 31 December 2007, aggregate impairment provisions for the highway assets of Changsha Ring Road amounted to RMB223,000,000, representing 58% of the highway asset's book value, while the corresponding balance of deferred income tax assets amounted to RMB54,611,000. Such deferred income tax assets are expected to be set off in future operating periods. As at the end of the Reporting Period, the net book value of the Company's investment in Shenchang Company amounted to RMB200,460,000.

The Board considered that based on existing data, it is reasonable for the Company to value the above-said assets based on the valuation parameters such as traffic volumes, rates of charges and discount rates, and that the making of rational asset impairment provisions on the basis of the valuation results will be beneficial for the Company in maintaining a solid financial position and enhancing the future profitability of the Company's assets. As toll highways have the characteristics of long operation terms and that the parameters for traffic volume estimates and assessments are generally determined by the then-economic situation, the Company will conduct re-assessments regularly as stipulated by the relevant accounting standards. By regularly assessing the traffic volumes and use values of highway assets over its remaining operating period and making rational impairment provisions as needed, we can prevent operating risks and enhance the quality of the Group's assets.

- 2) Considered and approved the resolution relating to recognition of initial classification and fair value of financial tools of the convertible corporate bonds (in which bonds and subscription warrants are tradable separately) (the "Bonds with Warrants") and corporate bonds:

Having regard to the nature of the Bonds with Warrants and the corporate bonds and relevant rules, the bond component of the Bonds with Warrants and the corporate bonds should be classified as other financial liability, where fair value shall be adopted at the initial assessment and the actual interest rate method shall be used for subsequent assessments, with value assessed based on the amortized cost. The initial fair value of the bonds is valued using the discounted cash flow method and the market rate of 5.5% is adopted as the discount rate. Using this method, the initial fair value of the bond component of the Bonds with Warrants and the corporate bonds are recognized as RMB1,130.78 million and RMB790.01 million.

- 3) Considered and approved the resolution relating to adjustments to related accounting treatment concerning the acquisition of Qinglian Company under China Accounting Standards for Business Enterprises (the "CAS"). Investors may refer to the announcement disclosed on the website of the Shanghai Stock Exchange(<http://www.sse.com.cn>) by the Company for details of the related matter.
 - 4) Considered and approved the final financial report the audited financial report for the year 2007.
2. Considered the resolutions relating to the internal control assessment report and approved item-by-item the internal control assessment report for the year 2007 and the specific audit plan for the year 2008.
 3. Considered and approved the report of the directors for the year 2007 (including the annual report 2007 and the annual results announcement).
 4. Considered and approved the report of the annual usage and budget of the specific expenditure of the Board.
 5. Considered and approved the profit distribution or reserves transfer plan for the year 2007:

The net profit in the consolidated and the company financial statements for the year 2007 in accordance with CAS are RMB673,601,826.06 and RMB680,642,912.81 respectively. The equivalent figures adjusted in accordance with HKFRS are RMB674,347,000.00 and RMB715,452,000.00 respectively. Pursuant to the relevant PRC laws and regulations and the articles of the Company, RMB68,064,291.28 is provided for legal earned surplus reserves.

Pursuant to the relevant PRC laws and regulations and the articles of the Company, profit distributable shall be taken as the lower of the after-tax profits calculated in accordance with CAS and HKFRS. Pursuant to CAS and for prudence sake, profit distributable shall be taken as the lower of the after-tax profits in the consolidated and the company financial statements. Based on the above principles, profit

distributable of the Company for the year 2007 is RMB673,601,826.06.

As indicated in the consolidated statements of the Company for the year 2007 in accordance with CAS, net profit is RMB673,601,826.06, and with the undistributed profit at the beginning of the year of RMB1,159,035,746.78 added, the profit distributable is RMB1,832,637,572.84. Deducting the legal earned surplus reserves of RMB68,064,291.28 provided for under the articles of the Company and the share dividends for the year 2006 of RMB283,491,000.00 paid in 2007, the profit distributable by the shareholders for the year 2007 is RMB1,481,082,281.56.

The Board recommended the payment of a cash dividend of RMB0.16 per share (tax included) for the year ended 31 December 2007, based on the total number of shares of 2,180,700,000 at the end of 2007, totaling RMB348,912,000 and representing 51.80% of the profit distributable for the year 2007. The balance after the distribution will be carried forward to next year and there will be no reserves transferred to share capital for the year.

6. Considered and approved the budget plan for the year 2008.
7. Considered the resolutions relating to the Board-delegated matters for the year 2008 and approved item-by-item the resolution relating to perfecting the Board delegation system and the resolution relating to signing authorisation in financing matters for the year 2008.
8. Considered the resolutions relating to the annual operation performance targets of the Company and approved item-by-item the resolution relating to the assessment of the performance of the Company and management for the year 2007 and the resolution relating to setting the operation performance targets of the Company for the year 2008.
9. Considered and approved the resolution relating to the appointment of the statutory auditors and the international auditors. It is agreed to re-appoint Messrs. PricewaterhouseCoopers as the international auditors and PricewaterhouseCoopers Zhong Tian CPAs Co., Ltd. as the statutory auditors of the Company and recommended the Board be to authorised to fix their remunerations by shareholders.
10. Considered and approved the resolution relating to the purchase of liability insurance:

It is agreed by the Board to purchase liability insurance and recommended shareholders to, on the condition that the aggregate annual insurance premium shall not exceed RMB400,000, consider and approve the purchase of liability insurance for the directors, supervisors and senior management staff of the Company, and to authorise the executive directors of the Company to handle the relevant matters.

11. Considered and approved the resolution relating to recommending the shareholders to approve the counter-guarantee within the scope of the guarantee provided in favor of the guarantee bank of the Bonds with Warrants:

It is agreed by the Board to recommend the shareholders to consider and approve the provision of counter-guarantee to the bank providing guarantee for the Bonds with Warrants (i.e. Agricultural Bank of China, Shenzhen Branch) within the total amount of the bonds of the Bonds with Warrants issued by the Company and the related liabilities by pledging the toll rights of Nanguang Expressway (based on the ratio of the bonds amount to the total investment amount of the expressway), and to authorise the executive directors of the Company to handle all the matters relating to the counter-guarantee, including but not limited to finalizing the detailed terms of counter-guarantee and signing counter-guarantee agreement.

12. Considered and approved the resolution relating to convening the 2007 annual general meeting, and authorised the Chairman to confirm the date and time of the meeting with regard to the circumstances and issue the notice of the general meeting.

13. Considered the resolutions relating to perfecting the corporate governance code and the related management system, and approved item-by-item the formulations or amendments to 《資產減值準備的內部控制制度》(Internal Control System for Impairment Provision for Assets), 《證券交易守則》(Securities Transaction Code), 《獨立董事工作細則》(Working Rules for Independent Directors), 《獨立董事年報工作制度》(Annual Report Working System for Independent Directors) and 《審核委員會年度財務報告審閱工作規程》(Working Procedures for Review of Annual Financial Report by Audit Committee). Investors may refer to the information disclosed on the website of the Shanghai Stock Exchange(<http://www.sse.com.cn>) by the Company for full texts of the aforesaid codes and systems.

The matters relating to aforesaid Resolutions 1, 3, 5, 6, 9, 10 and 11 are subject to the approval of shareholders. The notice of the 2007 annual general meeting of the company will be otherwise published.

By order of the Board

Yang Hai
Chairman

Shenzhen, the PRC, 14 March 2008

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. 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 non-executive Director), Mr. Zhang Zhi Xue (Independent non-executive Director), Mr. Poon Kai Leung, James (Independent non-executive Director) and Mr. Wong Kam Ling (Independent non-executive Director).

This announcement is originally prepared in Chinese and the Chinese version shall prevail over the English version for the purposes of interpretation.