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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)*

## ANNOUNCEMENT OF THE AUDIT INVESTIGATION REPORT

This announcement is issued pursuant to the disclosure obligations of the Company under paragraph 2(2) of the Listing Agreement.

During the period from mid June to early July 2003, Shenzhen Audit Bureau conducted audit investigation against the Company, with the audit area comprising 6 items of the Company's investments and relevant matters (including Shenzhen Wutongling Cableway project ("Cableway Project"), Changsha City Ring Road (north-western section) project ("Changsha Project"), entrusted national bonds investment by Beijing Huarong Investment Management Company Limited ("Huarong"), acquisition of a Hong Kong company (the "Hong Kong Company"), implementation of the Shares Appreciation Right Scheme and the remuneration of independent directors), and issued the "Audit Investigation Report concerning the investment and relevant matters of Shenzhen Expressway Company Limited" (Shen Shen Tou [2003] No. 40, the "Report") on 31 August 2003.

The information disclosed in the Report are the same as that disclosed by the Company in the past annual reports in respect of the relevant matters.

As regards the audit area, the Report did not reveal any breach of the applicable Listing Rules, the Listing Rules of the Shanghai Stock Exchange, and the PRC laws and regulations by the Company and its subsidiaries.

Reference is made to the announcements of Shenzhen Expressway Company Limited (the "Company") dated 24 June 2003 and 16 July 2003 respectively (the "Announcements") for the audit investigation conducted by Shenzhen Audit Bureau against the Company. Words and expressions defined in the Announcements shall have the same meanings when used herein unless otherwise defined.

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During the period from mid June to early July 2003, Shenzhen Audit Bureau conducted audit investigation against the Company, with the audit area comprising 6 items of the Company's investments and relevant matters (including Shenzhen Wutongling Cableway project ("Cableway Project"), Changsha City Ring Road (north-western section) project ("Changsha Project"), entrusted investment in national bonds by Beijing Huarong Investment Management Company Limited ("Huarong"), acquisition of a Hong Kong company (the "Hong Kong Company"),

implementation of the Shares Appreciation Right Scheme and the remuneration of independent directors), and issued the “Audit Investigation Report concerning the investment and relevant matters of Shenzhen Expressway Company Limited” (Shen Shen Tou [2003] No. 40, the “Report”) on 31 August 2003.

To enable all the shareholders and the investment market to have objective and adequate knowledge of the relevant situation, the Company makes this announcement in respect of the audit results with the permission of the Shenzhen Audit Bureau.

The Report stated that the audit investigation works was conducted smoothly with the cooperation of the Company. Apart from investigating the relevant information provided by the Company, the audit investigation team also conducted site visit to the Cableway Project, Changsha Project and the bridge of the Hong Kong Company, etc. The decision making procedures in the Cableway and Changsha Projects complied with the regular procedures and the information of these projects have been disclosed in the relevant annual reports of the Company. As to the bridge project of the Hong Kong Company, PRC rules and regulations have been complied with since its approval by the board of directors of the Company up to the date of completion of the audit. The loss in the entrusted investment in national bonds by Huarong was the same as that disclosed in the annual report of the Company. The Company has applied to Shenzhen Arbitration Commission for arbitration, as per the entrustment agreement. The Company has stopped all entrusted investment business at the end of 2002 and recovered all relevant funds and incomes except for the loss made by Huarong. The Shares Appreciation Right Scheme and the remuneration of independent directors have been approved under lawful procedures and the relevant information have been disclosed in details in the past annual reports of the Company. The information disclosed in the Report are the same as that disclosed by the Company in the past annual reports in respect of the relevant matters. As regards the audit area, the Report did not reveal any breach of the applicable Listing Rules, the Listing Rules of the Shanghai Stock Exchange, and the PRC laws and regulations by the Company and its subsidiaries.

This announcement is issued on the basis of the coherent attitude of the Company in complying strictly with the Listing Rules and being responsible to the shareholders, following the principle of honesty and diligence and with the responsibility and obligations of making public disclosure of information. The Company would like to draw the attention of the shareholders to the past annual reports of the Company for details of the aforesaid projects and to the information and reasonable investment disclosed by the Company in the annual reports or by other public means in the future.

By the order of the Board  
**Zhang Rong Xing**  
*Director & Company Secretary*

Shenzhen, the PRC, 25 September 2003

*Please also refer to the published version of this announcement in the (**The Standard**)*