



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)

NOTICE OF 2003 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2003 Extraordinary General Meeting (the “EGM”) of Shenzhen Expressway Company Limited (the “Company”) will be held at the Meeting Room on 19/F, Tower A, United Plaza, No. 5022 Binhe Road North, Shenzhen, the People’s Republic of China on 30 October 2003 (Thursday), at 10:00 a.m.

The meeting shall consider and approve the following resolution as an ordinary resolution:

Background

- (1) At the 2001 Annual General Meeting of the Company held on 6 March 2001, the Share Appreciation Right Scheme (the “Scheme”) was approved and adopted. Total number of rights (the “Rights”) issued under the Scheme is 18,405,000. Rights are granted to directors and key management staff. Rights can be exercised one year after the date of grant and before the respective expiry date. Under the Scheme, the grantees are benefited by way of exercising their Rights to the extent of the higher of share price over the pre-determined exercise price of the Rights and receiving a bonus reward in the form of cash from the Company.
- (2) The board of directors (the “Board”) of the Company resolved on 29 April 2003 that the exercise of the Rights would be temporarily ceased from 16 March 2003. On 7 August 2003, details of the issued and unexercised Rights are as follows:

Phase	Period of the Rights	Number of effective Rights (Shares)		Total
		Director not holding management position in the Company	Senior management and management staff	
Phase I	2002/03/16–2003/03/15	956,025	389,250	1,345,275
Phase II	2003/03/16–2004/03/15	1,085,025	3,088,050	4,173,075
Phase III	2004/03/16–2005/03/15	1,085,025	2,750,700	3,835,725
Phase IV	2005/03/16–2006/03/15	<u>1,085,025</u>	<u>2,750,700</u>	<u>3,835,725</u>
Total		<u>4,211,100</u>	<u>8,978,700</u>	<u>13,189,800</u>

Plan for amendment of the Scheme

The Company now propose to amend the Scheme, to change the Rights from individually held to collectively held by the senior management and management staff of the Company, and to amend the exercise period and exercise price accordingly, the receipts from the exercise of the Rights shall be applied as special incentive fund and distributed to the senior management and management staff by the Company according to the business development needs and the assessment of their performance , the terms of the amendment are as follows:

(1) Adjustment to the Rights

- (a) All holders of the Rights are entitled to exercise all the Phase I Rights and half of the Phase II Rights before 31 December 2003 and to deal with the receipts thereof at its discretion. Any Rights not exercised will be cancelled.
- (b) The director not holding management position in the Company shall execute declarations to waive half of the Phase II Rights, all the Phase III and Phase IV Rights and such Rights shall not be held by the senior management and management staff.
- (c) Half of the Phase II Rights (1,544,025 Shares) and all of the Phase III and Phase IV Rights (each 2,750,700 Shares respectively) shall be changed and collectively held by the senior management and management staff.
- (d) The manner for exercise of half of the Phase II Rights remains unchanged and shall be exercised on 31 December 2003; the manner and time for the exercise of the Phase III and Phase IV Rights shall be amended as follows. With the receipts from the exercise of the remaining Phase II Rights, all the Phase III and Phase IV Rights shall be applied as special incentive fund.

	Period of the Rights	Number of Rights	Exercise Price
Phase III	2004/03/16– 2005/03/15	2,750,700	the arithmetic average of the closing price of the listed shares of the Company during the period of 2003/03/16–2004/03/15
Phase IV	2005/03/16– 2006/03/15	2,750,700	the arithmetic average of the closing price of the listed shares of the Company during the period of 2004/03/16–2005/03/15

(2) The re-allocation of the receipts from the exercise of the Rights collectively held

The receipts from the exercise of the Rights collectively held by the senior management and management staff shall be applied as special incentive fund and distributed by the Company according to specific rules. The allocation of the members who participate in the determination of the distribution plan shall be approved by the Human Resources & Nomination Committee of the Company and the distribution of the special incentive fund shall subject to the internal audit of the Audit Committee of the Company.

- (3) All other terms of the Scheme (including terms already amended) shall remain unchanged.

- (4) The Company propose to pass an ordinary resolution to change the Scheme in accordance with the aforesaid paragraphs (1) to (3) and to authorise the Board to handle the Rights issued in accordance with the terms and conditions of the Scheme so amended.

By Order of the Board
Zhang Rong Xing
Director & Company Secretary

Shenzhen, the PRC, 15 September 2003

Notes:

1. Eligibility for attending the EGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 29 September 2003 shall have the right to attend the EGM after complying the necessary registration procedures.

2. Registration procedures for attending the EGM

- i. Shareholders intending to attend the EGM should deliver to the Company, on or before 10 October 2003, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the EGM.
- ii. Register of H shareholders of the Company will be closed from 30 September 2003 to 30 October 2003 (both days inclusive), during which period no transfer of H Shares will be registered. Holders of H Shares of the Company who intend to attend the EGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited (“HKRL”), the registrar of H Shares of the Company, at or before 4:00 p.m. on 29 September 2003.

3. Proxy

- i. Each shareholder entitled to attend and vote at the EGM may appoint one or more proxies (whether a shareholder or not) to attend and vote on his behalf.
- ii. A proxy should be appointed by written instrument signed by the appointor or his attorney. If the written instrument is signed by the attorney of the appointor, the written authorization or other authorization documents of such attorney should be notarized. In order to be valid, for shareholders of domestic capital shares, the written authorization or authorization documents which have been notarized together with the completed proxy form must be delivered to the Company 24 hours before the time of the holding of the EGM. In order to be valid, for shareholders of H Shares, the above documents must be delivered to HKRL within the same period.
- iii. If a shareholder appoints more than one proxy, his proxies may only exercise the voting right when a poll is taken.
- iv. Shareholder or his proxy should produce identify proof when attending the EGM.

4. Other business

- i. The duration of the EGM is expected not to exceed one day. Shareholders who attend the EGM shall arrange for food and accommodation at his own cost.
- ii. Address of Hong Kong Registrars Limited:
Rooms 1901–5, 19th Floor Hopewell Centre
183 Queen’s Road East
Wanchai
Hong Kong
- iii. Registered Address of the Company:
19/F, Tower A, United Plaza
No. 5022 Binhe Road North
Shenzhen, 518026 PRC
Telephone: (86) 755-82945880
Facsimile: (86) 755-82910496/82910696

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