



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 2002 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that 2002 Extraordinary General Meeting (the “EGM”) of Shenzhen Expressway Company Limited (the “Company”) will be held at the Meeting Room at 19/F, Tower A, United Plaza, No. 5022 Binhe Road North, Shenzhen, the People’s Republic of China on 30th December, 2002 (Monday), at 10:00 a.m.

The meeting shall consider and approve the following resolutions as special resolutions:

1. the exercise by the Board of Directors with all the powers of the Company to repurchase H shares of the Company up to a maximum of 10 per cent. of the aggregate nominal value of the H shares in issue of the Company:

“THAT:

- (a) subject to paragraphs (b) and (c) below, the Relevant Period (as defined in paragraph (d) below) during which the Board of Directors may exercise all the powers of the Company to repurchase H shares in issue of the Company on The Stock Exchange of Hong Kong Limited (“SEHK”), subject to and in accordance with all applicable laws, rules and regulations and/or requirements of the governmental or regulatory body of securities in the People’s Republic of China (the “PRC”), the SEHK or of any other governmental or regulatory body be and is hereby approved;
- (b) the aggregate nominal value of H shares authorised to be repurchased pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal value of H shares in issue of the Company as at the date of the passing of this resolution;
- (c) the approval in paragraph (a) above shall be conditional upon:
 - (i) the passing of a special resolution in the same terms as the resolution set out in this paragraph (except for this sub-paragraph (c)(i)) at the Extraordinary General Meeting for holders of overseas listed foreign shares of the Company to be held on 30th December, 2002 (or on such adjourned date as may be applicable), and the Extraordinary General Meeting for holders of domestic shares of the Company to be held on 30th December, 2002 (or on such adjourned date as may be applicable);
 - (ii) the approvals of the China Securities Regulatory Commission, the State Council of the PRC and any other regulatory authorities as required by the laws, rules and regulations of the PRC being obtained by the Company if appropriate; and
 - (iii) the Company not being required by any of its creditors to repay or to provide guarantee in respect of any amount due to any of them (or if the Company is so required by any of its creditors, the Company having, in its absolute discretion, repaid or provided guarantee in respect of such amount) pursuant to the notification procedure set out in Article 25 of the Articles of Association of the Company;

- (d) for the purpose of this special resolution, “Relevant Period” means the period from the passing of this special resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting following the passing of this special resolution;
 - (ii) the expiration of a period of twelve months following the passing of this special resolution; or
 - (iii) the date on which the authority set out in this special resolution is revoked or varied by a special resolution of the members of the Company in any general meeting; and
- (e) subject to approval of all relevant governmental authorities in the PRC for the repurchase of such H shares being granted, the Board be hereby authorised to:
 - (i) make such amendments to the Articles of Association accordingly as it thinks fit so as to reduce the registered share capital of the Company and to reflect the new capital structure of the Company upon the repurchase of H shares of the Company as contemplated in paragraph (a) above; and
 - (ii) file the amended Articles of Association of the Company with the relevant governmental authorities of the PRC.”; and

2. “That the Articles of Association of the Company be amended by adopting the following Articles to replace the existing counterpart Articles:

Article 2 The registered Chinese name of the Company is:
深圳高速公路股份有限公司

The English name of the Company is: Shenzhen Expressway Company Limited

Address: Rooms 1901–1903, 19/F, Tower A, United Plaza, No. 5022 Binhe Road North, Shenzhen, the People’s Republic of China

Telephone No.: 82945880

Facsimile: 82910696

Article 8 These Articles of Association shall be passed by special resolution of the shareholders’ general meeting of the Company and shall become effective upon approval by the State Commission for Restructuring the Economy and registration with the State Administration for Industry and Commerce and these Articles of Association shall entirely replace the Articles of Association of the Company originally registered with the State Administration for Industry and Commerce. From the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates the organisation and acts of the Company, the rights and obligations between the Company and the shareholders and among the shareholders.

The Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, managers and other senior managerial officers. All persons mentioned above may claim rights relating to the affairs of the Company in accordance with these Articles of Association.

In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, supervisors, managers and other senior managerial officers of the Company.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.

Article 56

Shareholder's general meetings shall be classified as annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board of Directors. Annual general meetings shall be convened once every year and be held within six months after the end of the preceding accounting year.

Upon the occurrence of any of the following events, the Board of Directors shall convene an extraordinary general meeting within two months thereof:

- (1) the number of directors falls below the number provided by the Company Law or less than two-thirds of the number required by these Articles of Association;
- (2) the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
- (3) shareholders holding an aggregate of 10 per cent. or more of the issued shares of the Company vested with voting rights request in writing to convene an extraordinary general meeting;
- (4) whenever the Board of Directors considers it necessary or the Supervisory Committee proposes to convene the same;
- (5) when more than one half of the independent directors propose to convene the same.

Article 58

When the Company convenes an annual general meeting, shareholder(s) who hold(s) in aggregate 5 per cent. or more of the voting rights of the Company or the supervisory committee shall be entitled to propose extraordinary motions in writing to the Company. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting.

The Board of Directors shall review the aforesaid proposed motions to be brought forward at annual general meeting in accordance with the following principles:

- (1) Relevance. The Board of Directors shall review tentative motions proposed by shareholders. The motions which are directly related to the Company and do not contravene the laws, regulations nor exceed the scope of functions of general meetings under the Articles of Association of the Company shall be proposed at the shareholders' general meeting for discussion. If the motion does not comply with the aforesaid requirements, it will not be proposed to the shareholders' general meeting for discussion. In the event that the Board of Directors decide not to present any motions proposed by shareholders to shareholders' general meeting for voting, the Board of Directors shall explain and state the reasons therefor at such meeting.
- (2) Procedural matters. The Board of Directors may make a decision in respect of procedural matters in connection with a motion proposed by shareholders. If the motion is to be separated or consolidated with other motions, the consent from the shareholder proposing the motion shall be obtained. If the shareholder proposing the motion does not consent to the change, the chairman may refer the procedural matters to the shareholders' general meeting for a decision, and the motion shall be discussed according to the procedures adopted at the shareholders' general meeting.

Article 60

A notice of shareholders' general meeting shall satisfy the following requirements:

- (1) it shall be in writing;
- (2) it shall specify the place, the date and the time of the meeting;
- (3) it shall state the business to be transacted;

- (4) it shall provide the shareholders with all such information and explanation as are necessary for a prudent decision to be made by the shareholders on the business to be transacted, which shall include (but not limited to) the provision of concrete terms and contract (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event of the Company proposes a merger, repurchase of its shares, a restructuring of share capital or other manners of reorganisation;
- (5) if any of the directors, supervisors, general manager and other senior managerial officers is materially interested in matters to be discussed, he shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, general manager or senior managerial officers as a shareholder differs from other shareholders of the same class, such differences shall be specified;
- (6) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (7) it shall expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more than one proxy to attend the meeting in his stead and to vote thereat and the proxy or proxies need not be a shareholder;
- (8) it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
- (9) it shall specify the date of registration of the voting rights for shareholders who are entitled to attend the shareholders' general meeting.

Article 76

Shareholders or the Supervisory Committee who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:

- (1) Shareholder(s) who hold(s) in aggregate 10 per cent. or more of the shares vested with voting rights in such a meeting or the Supervisory Committee may sign one or several written requisitions in the same form requesting the Board of Directors to convene an extraordinary general meeting or a class shareholders' meeting, and the subject matter of the meeting shall be specified. Upon receipt of the said written requisitions, the Board of Directors shall convene an extraordinary general meeting or a class shareholders' meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.

- (2) If the Board of Directors fails to give notice of meeting within 30 days of the receipt of the aforesaid written requisitions, the shareholders making such requests, subject to the consent of China Securities Regulatory Commission or its representative office may convene a meeting within four months of the receipt of the said requisitions by the Board of Directors, whereas the Supervisory Committee making such requests, subject to the consent of China Securities Regulatory Commission or its representative office, may convene a meeting within three months of the receipt of the said requisitions by the Board of Directors. The procedure for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the Board of Directors.

All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the Board of Directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in fault of their duties.

Article 80 In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be entered into the minutes of the meeting. The proceedings of the shareholders' general meeting shall be recorded in minutes which shall be signed by the directors attending the meeting. The minutes of the meeting together with the signature book of the shareholders attending the meeting and the proxy forms shall be kept at the registered address of the Company.

A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes so requested within seven days of the receipt of the reasonable payment therefore.

Article 81 Where a resolution on a connected transaction is put to vote at the shareholders' general meeting, each shareholder involved in the connected transaction shall abstain from voting and the votes represented by such shareholders shall not be counted into the total number of effective voting shares. The voting of uninterested shareholders shall be disclosed fully in the notice of the resolutions of shareholders' general meeting. In the event the shareholder involved in the connected transaction cannot be abstained from voting due to unusual circumstances, the Company may continue the voting according to the usual procedures after obtaining the consent of the relevant authorities. A detailed statement thereof shall be provided in the notice of the resolutions of shareholders' general meeting.

Save and except the Company's commercial secrets which cannot be disclosed in the shareholders' general meeting, the Board of Directors and the Supervisory Committee shall reply to the enquiries and proposals of the shareholders and make explanations.

Article 91 (1) The Board of Directors shall comprise 12 directors with one chairman. One third of the members of the Board of Directors shall be independent directors,

Article 92 (1) The directors shall be elected or replaced at the shareholders' general meeting and their term of office shall be three years. The election of the director shall adopt the accumulated voting system whereby, on election of the directors, the number of votes of each shareholder equals to the number of shares that he holds multiplies the number of directors he has the right to elect. Each shareholder may elect a director by using all the votes that he holds or may allocate his votes to all the candidates or elect two or more candidates by using all his votes. The candidate with more votes will be elected. The voting on the election of independent directors and non-independent directors shall be conducted separately. Upon the expiry of the term, a director shall be eligible for re-election and re-appointment.

Article 97 The Board of Directors should hold meetings at least twice every year which shall be convened by the chairman of the Board of Directors and notice of meeting shall be given to all directors 10 days prior to the meeting. Extraordinary board meetings may be convened by serving notice to all the directors five days prior to the date of meeting of the Board of Directors.

Extraordinary board meetings may be convened under any of the following circumstances:

- (1) when it is deemed necessary by the Chairman;
- (2) proposed jointly by more than one-third of the total number of directors;
- (3) proposed by the Supervisory Committee;
- (4) proposed by the general manager;
- (5) proposed by more than one half of the total number of the independent directors.

Article 99 Meetings of the Board of Directors shall only be held with more than one-half of the directors present at the meeting.

Each director shall have one vote. The resolutions of the Board of Directors shall only be passed with a simple majority of all the directors.

In the event of equality of votes in favour or against a resolution, the chairman of the Board of Directors shall have an additional vote.

Where a director is connected with the transaction in the resolution put to vote at the Board of Directors, such director shall abstain from voting. When calculating the number of person constituting a quorum, such director shall not be counted. If the number of uninterested directors present in the meeting is less than half of all the directors, subject to the approval of the relevant supervisory authorities, the interested director may vote and be included in the counting of the quorum of the board meeting. The Company shall make a clear statement in the relevant announcement.

Article 104 Meetings of the Board of Directors shall be attended by the directors in person. If any director is unable to attend for whatever reason, he may appoint in writing other directors to attend the meeting of the Board of Directors on his behalf. The instrument of appointment shall specify the scope of the authorization.

The director attending such a meeting on another's behalf shall exercise the rights of a director within the scope of the authorization. If a director is not present at a certain meeting of the Board of Directors nor to appoint an alternate to attend on his behalf, he shall be deemed to have abstained his rights to vote at that meeting.

If the director neither attends the board meeting in person for two consecutive times nor appoints other directors to attend the board meeting, he shall be deemed to have failed to perform his duties. The Board of Directors shall propose dismissal of the director to the shareholders' general meeting.

Article 107 The Company shall appoint secretary to the Board of Directors. The secretary of the Board of Directors shall be a senior managerial officer of the Company who is accountable to the Board of Directors.

Article 108 The secretary to the Board of Directors of the Company shall be a natural person who shall have the necessary professional expertise and experience and shall be appointed by the Board of Directors. The principal duties of the secretary to the Board of Directors are as follows:

- (1) to ensure the Company has complete organization documents and records;
- (2) to ensure that the Company prepares and files documents and reports as required by authorities in accordance with laws;

- (3) to ensure that the register of shareholders of the Company is properly established and to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
- (4) to organize shareholders' general meetings or board meetings in accordance with these Articles of Association and to prepare respective documents;
- (5) To submit and file relevant information and documents of the Company pursuant to applicable Hong Kong laws and regulations, the requirements of the listing rules of the Hong Kong Stock Exchange and the Hong Kong Securities and Futures Commission;
- (6) To disclose relevant information of the Company to the public pursuant to the requirements of the listing rules of the Hong Kong Stock Exchange and the Hong Kong Securities and Futures Commission;
- (7) To submit documents relating to the company to the Companies Registry of Hong Kong;
- (8) To disclose the information of the Company and to ensure the punctuality, accuracy, legality, truthfulness and completeness of information so disclosed;
- (9) Other duties as stipulated in the Articles of Association of the Company and the listing rules of the stock exchange on which the securities of the Company are listed.

The post of the secretary to the Board of Directors shall be assumed by one or two natural persons. In case where two persons are appointed jointly, the obligations of the secretary to the Board of Directors shall be assumed jointly by such two persons. However, in handling external matters as authorized by the Board of Directors, either one of them shall be entitled to exercise independently all powers of the secretary of the Board of Directors.

Article 109

Directors or other senior managerial officers (excluding the supervisors) of the Company may at the same time act as the secretary to the Board of Directors of the Company. An accountant of the accounting firm and solicitor of the solicitors' firm engaged by the Company shall not at the same time act as the secretary to the Board of Directors.

In the event that a director acts as the secretary to the Board of Directors and a certain act has to be performed separately by a director and the secretary to the Board of Directors, such person who is at the same time the director and the secretary to the Board of Directors shall not perform such act in both capacities.

Article 110 The Company shall have one general manager appointed or dismissed by the Board of Directors whose term of office shall be 3 years, eligible for re-election and re-appointment. There shall be a few deputy general managers. Directors may be appointed as managers, deputy managers or other senior managerial officers Provided that the number of directors appointed as managers, deputy managers or other senior managerial officers shall not exceed half of the total number of directors.

Article 119 The Supervisory Committee shall convene at least 2 meetings every year and the same shall be convened by the chairman of the Supervisory Committee.

If the supervisor is unable to attend in person for the Supervisory Committee meetings for two consecutive times, he shall be deemed to have failed to perform his duties and shall be dismissed and replaced by the shareholders' general meeting and the worker representatives' meeting.

Article 130 Director, supervisor and general manager of the Company may resign prior to expiry of his term of office.

The general manager shall resign according to his employment contract with the Company.

In the event that a director's resignation results in the number of directors being less than the quorum, the resignation report of such director shall become effective only when the vacancy arising from his resignation has been filled by a new director.

The Board of Directors consisting of the remaining directors shall convene an extraordinary shareholders' meeting as soon as possible to elect a director to fill the vacancy arising from the resignation of such director. The power of the resigning director and the Board of Directors consisting of the remaining directors shall be subject to due restrictions until the shareholders' general meeting has made a resolution in respect of the re-election of the director.

The relevant provisions to the resignation of directors are applicable to the resignation of supervisors.

The fiduciary duties of a director, supervisor, general manager and other senior managerial officers of the Company do not necessarily cease upon the expiry of his term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his departure from office and the circumstances and conditions under which the relation with the Company was terminated.

Article 158 When distributing dividends, the Company shall withhold on behalf of the shareholders the tax payable on dividend income in accordance with PRC tax law.

The dividends in cash and other distributions for the domestic capital shares shall be paid in Renminbi. The dividends in cash and other distributions for H shares shall be announced in Renminbi and shall be paid in Hong Kong dollars in accordance with the relevant provisions on foreign exchange management.

Article 160 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial and economic activities of the Company.

The system of the internal audit and the duties of such auditors shall be implemented after the approval of the Board of Directors. The responsible auditor shall be responsible and report to the Board of Directors.

Article 177 A proposal for merger or division of the Company shall be proposed by the Board of Directors of the Company. After the same has been passed according to the procedures provided in these Articles of Association, the relevant application procedures for approval shall be completed according to law. When the Company merges or divides, the Board of Directors of the Company shall adopt necessary procedures to protect the legal interests of the shareholders who oppose to the merger and division of the Company. Shareholders who object to the proposal for merger or division of the Company shall be entitled to demand that the Company or the shareholders who consent to the proposal for merger or division of the Company purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be compiled as a special document for inspection by the shareholders.

The document mentioned above shall be delivered by post to the shareholders of overseas listed foreign capital shares.

Chapter 24 Notices and announcements

Article 193 Notices, information or written statements sent by the Company to shareholders of H shares, shall be delivered by hand to each shareholder of registered H shares according to the address of such shareholder of H shares set out in the register of shareholders, or delivered by post to each shareholder of H shares according to his address set out in the register of shareholders.

For notices issued by the Company to the shareholders of domestic capital shares, announcements and other information that is required to be disclosed, an advertisement shall be published in one or more newspapers designated by the securities supervisory authorities of the State and all shareholders of domestic capital shares shall be deemed to have received the relevant notice, announcement or other information that is required to be disclosed.

Article 199 These Articles of Association shall be interpreted by the directors of the Company.

and the Board of Directors of the Company be authorised to report the amendments relating to the Articles of Association to relevant authorities for record.”

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

To elect the new Board of Directors of the Company and the composition thereof with a term of office of three years commencing from 1st January, 2003.

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

Shenzhen, the PRC, 13th November, 2002

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 29th November, 2002 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 10th December, 2002, 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 30th November, 2002 to 30th December, 2002 (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 29th November, 2002.

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. Address of the Company:
19/F, Tower A, United Plaza
No. 5022 Binhe Road North
Shenzhen, 518026 PRC
Telephone: (86) 755-82945880
Facsimile: (86) 755-82910496/82710696

Please also refer to the published version of this announcement in Hong Kong Economic Times. The circular containing the proposal for general mandate to repurchase H Shares, reasons for amending the Articles of Association, the proposed amendments to the Articles of Association and the related existing provisions, the shareholders’ reply slips and proxy forms for the 2002 Extraordinary General Meeting and the information of the candidates for the new Board and the new Supervisory Committee will be despatched to the H shareholders of the Company on or before 5th December, 2002.

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