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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Shenzhen Expressway Company Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)*

**(Stock Code: 00548)**

**PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION  
AND  
NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING 2012**

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A notice convening an extraordinary general meeting (“EGM”) of Shenzhen Expressway Company Limited (“Company”) to be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China at 10:00 a.m. on 20 September 2012 (Thursday) is set out on pages 8 to 9 of this circular. A proxy form is enclosed. Whether or not you intend to attend the said meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the registrar of H shares of the Company, Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the holders of H shares) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China (for the holders of domestic shares) as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the relevant meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting(s) should you so wish.

6 August 2012

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## LETTER FROM THE BOARD

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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)

(Stock Code: 00548)

*Executive Directors:*

Mr. Yang Hai (*Chairman*)

Mr. Wu Ya De

*Non-executive Directors:*

Mr. Li Jing Qi

Mr. Zhao Jun Rong

Mr. Hu Wei

Mr. Tse Yat Hong

Ms. Zhang Yang

Mr. Chiu Chi Cheong, Clifton

*Independent Non-executive Directors:*

Mr. Wang Hai Tao

Mr. Zhang Li Min

Mr. Au Sing Kun

Mr. Lin Chu Chang

*Legal Address:*

Podium Levels 2-4,

Jiangsu Building,

Yitian Road,

Futian District,

Shenzhen, PRC

*Principal Place of Business in Hong Kong:*

Suites 2001-2005, 20th Floor,

Jardine House,

1 Connaught Place,

Central, Hong Kong

6 August 2012

*To the Shareholders of the Company*

Dear Sirs or Madams,

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

#### I. INTRODUCTION

Pursuant to 《關於進一步落實上市公司現金分紅有關事項的通知》 (“Notice of Relevant Matters on Further Implementing Cash Dividend Distribution by Listed Companies”) issued by China Securities Regulatory Commission and related requirements, the board of directors of the Company (“Board”) passed a resolution on 3 August 2012, proposed that certain articles of the Articles of Association of the Company (“Articles of Association”) be amended with a view to further optimising policies and details of profit distribution, specifically clearing the decision-making procedures and mechanisms on profit distribution. The proposal in relation to the amendments to the Articles of Association shall be considered by the shareholders at the EGM to be convened on 20 September 2012 by way of special resolution.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide you with, among other things, the relevant details on (i) the proposed amendments to the Articles of Association; and (ii) a notice of the EGM.

### II. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed that Articles 163-166 of the Articles of Association be amended:

*The original Articles 163-166 of the Articles of Association are as follows:*

Article 163      The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:

1.    making up losses;
2.    allocation to the statutory common reserve fund;
3.    allocation to the discretionary common reserve fund;
4.    payment of dividends on ordinary shares.

The Company shall allocate 10 per cent of the profit after taxation to the statutory common reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund has reached 50 per cent of registered capital.

Allocation to the discretionary common reserve fund shall be made separately from the profit of the Company after the allocation to statutory common reserve fund is made, in accordance with the resolution of the shareholders' general meeting. The after-tax profit subsequent to making up loss of the Company and making provisions for the common reserve fund may be distributed to shareholders ratably in accordance with their shareholdings, except for the non-pro rata distributions as required by these Articles of Association. The particular proportion of distribution in each year in respect of paragraphs 3 and 4 of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements of the Company and shall be discussed and approved by the shareholders' general meeting.

No profit shall be distributed in respect of the shares held by the Company.

Article 164      If the shareholders' general meeting violates the previous Article and distributes profit before making up loss of the Company and making provisions for the statutory common reserve fund, shareholders shall return to the Company the amount of profit distributed which is in violation of the provisions of the previous Article.

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## LETTER FROM THE BOARD

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Article 165           The common reserve fund of the Company shall be used only for the following purposes:

1.     making up losses (the capital reserve fund shall not be used to make up the loss of the Company);
2.     expansion of the production and operation of the Company; or
3.     conversion into additional share capital. Pursuant to resolution passed at shareholders' general meeting, the Company may convert the statutory common reserve fund into share capital, and issue new shares to shareholders proportional to their existing shareholdings or increase the par value of the shares. However, when the statutory common reserve fund is converted into share capital, the amount remaining in such common reserve fund shall not be less than 25 per cent of the registered capital of the Company before the conversion.

Article 166           Dividends may be distributed in the following ways:

1.     cash;
2.     shares.

In the event there is a distributable profit available to shareholders, the Company shall implement a proactive cash dividend policy with an emphasis on shareholders' investment return while taking into account the principle of reasonable funding requirements for the Company's operations. The continuity and stability of the profit distribution policy shall be maintained. The profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. The Company may distribute interim cash dividend.

***The Articles 163-166 of the Articles of Association are proposed to be amended as follows:***

Article 163           The common reserve fund of the Company shall be used only for the following purposes:

1.     making up losses (the capital reserve fund shall not be used to make up the loss of the Company);
2.     expansion of the production and operation of the Company; or

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## LETTER FROM THE BOARD

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3. conversion into additional share capital. Pursuant to resolution passed at shareholders' general meeting, the Company may convert the statutory common reserve fund into share capital, and issue new shares to shareholders proportional to their existing shareholdings or increase the par value of the shares. However, when the statutory common reserve fund is converted into share capital, the amount remaining in such common reserve fund shall not be less than 25 per cent of the registered capital of the Company before the conversion.

### Article 164

In the event there is a distributable profit, the Company shall implement a proactive cash dividend policy with an emphasis on providing shareholders with reasonable investment return as well as meeting sustainable operation and development of the Company in accordance with the relevant laws and administrative regulations. The continuity and stability of the profit distribution policy shall be maintained.

The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:

1. making up losses;
2. allocation to the statutory common reserve fund;
3. allocation to the discretionary common reserve fund;
4. payment of dividends on ordinary shares.

The Company shall allocate 10 per cent of the profit after taxation to the statutory common reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund has reached 50 per cent of registered capital. Allocation to the discretionary common reserve fund shall be made separately from the profit of the Company after the allocation to statutory common reserve fund is made, in accordance with the resolution of the shareholders' general meeting. The after-tax profit subsequent to making up loss of the Company and making provisions for the common reserve fund may be distributed to shareholders ratably in accordance with their shareholdings, except for the non-pro rata distributions as required by the Articles of Association.

If the shareholders' general meeting violates the previous Article and distributes profit before making up loss of the Company and making provisions for the statutory common reserve fund, shareholders shall return to the Company the amount of profit distributed which is in violation of the provisions of the previous paragraph.

No profit shall be distributed in respect of the shares held by the Company.

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Article 165 Dividends may be distributed in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations.

The Company should distribute dividends in cash provided that the following conditions are satisfied:

1. the distributable profit realized by the Company for the year is positive and the cash flow is sufficient, and the payment of cash dividends will not affect the subsequent continuing operation of the Company;
2. the audit firm issues an unqualified auditor's report in respect of the financial report of the Company for the year.

The Company should distribute dividends in cash each year provided that the cash dividend conditions are satisfied. The Company may distribute interim cash dividend. The profit distributed by cash by the Company for the year shall not be less than 20% of the distributable profit for the year, and the profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. Provided that the financial standing and cash flow of the Company are sound and there is no substantial investment or cash outflow, the Company shall endeavor to increase the cash dividend ratio.

Depending on the profitability and business growth for the year, the Company may distribute dividends by way of shares to match share capital expansion with business growth provided the above cash dividend payout ratio and an optimal shareholding structure and share capital base are maintained.

Article 166 The board of directors formulates the profit distribution proposal in accordance with the regulations of the Articles of Association, taking into account the shareholders' return plan, the operational performance and the need for development of the Company. The profit distribution proposal passed by the board of directors shall be submitted to the shareholders' general meeting for approval by an ordinary resolution. In formulating the profit distribution proposal, the board of directors shall consider and illustrate the timing, condition, minimum ratio, conditions of adjustment and decision-making procedures of cash dividend. In case if there is special circumstance such as the Company obtain substantial special earnings during the year but there is no corresponding cash inflow, with detailed illustration and explanation, the board of directors could submit a dividend distribution proposal which offers lower ratio of dividend than that required by the Articles of Association, and such proposal is subject to shareholders' approval in general meeting by a special resolution. Independent directors and the supervisory committee shall give opinions on profit distribution proposal.

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In the event that the Company needs to adjust the profit distribution policy due to the reasons such as material changes in laws and regulations and the operational environments or performance of the Company, the board of directors shall protect the interest of the shareholders and formulate adjusted policy with detailed illustration and submit the amendments of the Articles of Association accordingly for shareholders' approval in general meeting by a special resolution. Independent directors and the supervisory committee shall give opinions on the adjustment on profit distribution policy.

When profit distribution proposal or adjustment on profit distribution policy is submitted for shareholders' approval in general meeting, the Company shall establish various communication channels with the shareholders, especially the public shareholders, to solicit their view and opinion, address the concern of shareholders and take concrete steps to protect shareholders' rights of participation in the shareholders' general meeting.

Independent directors and the supervisory committee shall supervise the implementation and the decision-making procedures of the profit distribution policy and proposal. In case there are circumstances such as the board of directors does not formulate the profit distribution proposal in accordance with the Articles of Association, or such proposal violates the profit distribution policy, or the decision-making process breaches the procedures, or the implementation of the profit distribution proposal is inconsistent with the shareholders' resolutions in general meeting, independent directors and supervisory committee shall give specific opinions and explanations.

The Articles of Association are written in Chinese without an official English translation version. The English translation version in this circular is for reference only. In case of any inconsistency between the English and Chinese versions, the Chinese version shall prevail.

### III. EGM

The Company will convene the EGM at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC at 10:00 a.m. on 20 September 2012 (Thursday), the notice of which is set out on pages 8 to 9 of this circular. Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting at the EGM on the resolution set out in the notice of the EGM will be taken by poll.

The proxy form for use at the EGM is enclosed with this circular. Whether or not you intend to attend the said meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the registrar of H shares of the Company, Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares) or to the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the PRC (for holders of domestic shares) as soon as possible and in any event not later



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## LETTER FROM THE BOARD

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than 24 hours before the time appointed for the holding of the EGM. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjourned meeting(s) should you so wish.

#### **IV. RECOMMENDATION**

The Board considers that the proposal on the amendments to the Articles of Association are in the interests of the Company and the shareholders as a whole, and therefore recommends all the shareholders to vote in favour of the resolution to be proposed on the EGM.

By Order of the Board

**Yang Hai**

*Chairman*

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## NOTICE OF THE EGM

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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)*  
(Stock Code: 00548)

### NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING 2012

**Notice is hereby given** that the First Extraordinary General Meeting 2012 (“EGM”) of Shenzhen Expressway Company Limited (“Company”) will be held at the conference room of the Company at Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, the People’s Republic of China on 20 September 2012 (Thursday) at 10:00 a.m. to consider and, if thought fit, pass the following **special resolution**:

“To consider and approve the proposal in relation to the amendments to the Articles of Association of the Company and to authorise any one of the executive directors or the secretary of the board of the directors of the Company to arrange for the respective procedures of approvals, disclosures, registrations and filings in relation to the amendments to the Articles of Association, and to make any necessary and suitable editorial amendments to the amended version as he/she thought fit in accordance with the actual circumstances of the Company and the amendments requirements raised by the exchange where the Company is listed and the relevant regulatory authority from time to time (if any).”

The proposal of the amendments to the Articles of Association is set out in the circular of the Company dated 6 August 2012.

By Order of the Board  
**Yang Hai**  
*Chairman*

Shenzhen, the PRC, 6 August 2012

*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 20 August 2012 shall have the right to attend the EGM after complying with the necessary registration procedures.

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## NOTICE OF THE EGM

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### 2. REGISTRATION PROCEDURES FOR ATTENDING THE EGM

- i. Shareholders intending to attend the EGM should deliver to the Company, on or before 31 August 2012, either in person, by post or by fax, the reply slip (together with any required registration documents) for attending the EGM.
- ii. Holders of H shares of the Company please note that the register of H shares holders of the Company shall be closed from 21 August 2012 to 20 September 2012 (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, the registrar of H shares of the Company, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on 20 August 2012.

### 3. PROXY

- i. Shareholders entitled to attend and vote at the EGM are entitled to appoint, in written form, 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 authorisation or other authorisation documents of such attorney should be notarised. In order to be valid, for holders of domestic shares of the Company, the written authorisation or authorisation documents which have been notarised together with the completed proxy form must be delivered to the Company not less than 24 hours before the time of the holding of the EGM. In order to be valid, for holders of H shares of the Company, the above documents must be delivered to Hong Kong Registrars Limited, at Floor 17M, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, within the same period.
- iii. Shareholder or his proxy should produce identity proof when attending the EGM.

### 4. POLL

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, voting at the EGM on the resolutions set out in the notice of the EGM will be taken by poll.

### 5. OTHER MATTERS

- i. The duration of the EGM is expected not to exceed one day. Shareholders or proxies who attend the EGM shall arrange for food, accommodation and other relevant expenses at their own cost.
- ii. Address of Hong Kong Registrars Limited (for share transfer):  
  
Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- iii. Address of the Company:  
  
Podium Levels 2-4, Jiangsu Building, Yitian Road, Futian District, Shenzhen, PRC  
Postal code: 518026  
  
Tel.: (86) 755 - 8285 3332  
Fax: (86) 755 - 8285 3411