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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)

PROPOSED ISSUE OF A SHARES IN THE PRC

The Board is pleased to announce that the CSRC has approved the A Share Issue of the Company. The Prospectus will be published in the newspapers in the PRC on 29 November, 2001 and an application will be made to the Shanghai Stock Exchange for the listing of the A Shares.

The Board of the Company is pleased to announce that the CSRC has approved the issue of not more than 180 million A Shares of the Company. The Prospectus will be published in the PRC newspapers on 29 November, 2001 and an application will be made to the Shanghai Stock Exchange for the listing of the A Shares. The Prospectus included a profit forecast, which had been prepared in accordance with the PRC GAAP and audited by Tianjianxinde Certified Public Accountants, the PRC auditors, for the year ending 31 December, 2001.

The Directors jointly assume responsibility for the correctness, accuracy and completeness of the content of the Prospectus.

STRUCTURE OF THE A SHARE ISSUE

Summary of the structure of the A Share Issue is set out below:

(1) Type of securities to be issued: RMB denominated ordinary shares (A Shares)

- (2) Number of A Shares to be issued: Not more than 180 million A Shares.
- (3) Par value: RMB1.00 per A Share
- (4) Target subscribers: Natural persons and legal persons (except those restricted by the PRC laws and regulations) in the PRC. The securities investment funds which subscribe the A Shares offline are not permitted to subscribe the A Shares online.
- (5) Issue price and pricing process: The issue price shall not be lower than RMB3.39 per A Share and not higher than RMB3.66 per A Share (calculated in accordance with the forecasted net profit of the Company in 2001 and the total number of issued shares on full dilution basis after the issue of the A Shares in 2001; the highest price represents a price earnings ratio of 20 and the lowest price represents a price earnings ratio of 18.52). The A Shares issue will use the combined book-building method of aggregating the asking prices through offline subscription by securities investment funds and online subscription by public investors within the indicative price range.
- (6) Method of Underwriting: The Lead Underwriter which is independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates (as defined in the Listing Rules) shall form the underwriting syndicate to underwrite the remaining A Shares that have not been subscribed by the securities investment funds and the public investors.
- (7) Stock exchange for the proposed listing of the A Shares: Shanghai Stock Exchange.

- (8) Trading of A Shares: The A Shares to be placed to securities investment funds online shall be tradable on the Shanghai Stock Exchange 3 months after listing of the A Shares. The A Shares to be issued to the public online shall be tradable on the Shanghai Stock Exchange immediately upon listing of the A Shares.
- (9) Proceeds: Through the A Shares issue, the Company intends to raise approximately RMB610,200,000 (including the expenses of the A Share Issue).
- (10) Use of proceeds: The net proceeds of A Share issue will be used to finance the construction of Section B of Yanba Expressway. Yanba Expressway shall start from Yantian Port in the west and will connect with Ou Tou Port of Huiyang City at the east with a total length of 28.92km. Section A of Yanba Expressway, with a length of 9.65km, has commenced operation on 16 April, 2001. Section B of Yanba Expressway, with a length of 9.19km, was commenced construction in June, 2001 and is expected to be completed in October, 2003. The total construction costs of Section B of Yanba Expressway is estimated to be approximately RMB654,990,000. The shortfall if any will be financed by internal resources of the Company.

EFFECTS OF THE A SHARE ISSUE ON THE COMPANY'S CAPITAL STRUCTURE

Set out below is a summary of the changes in the shareholding percentage of the Company prior to and immediately upon the completion of the A Share Issue based on the assumption that the entire 180 million A Shares will be issued:

Type of shares	Prior to the A Share Issue	Shareholding percentage (%)	Increase in the number of shares	Immediately upon the completion of the A Share Issue	Shareholding Percentage (%)
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		(Approximate)			(Approximate)
Unlisted State owned shares	654,780,000	32.49	-	654,780,000	29.82
Domestic legal person shares	613,420,000	30.43	-	613,420,000	27.94
Total	1,268,200,000	62.92	-	1,268,200,000	57.76
Listed Shares					
H Shares	747,500,000	37.08	-	747,500,000	34.04
A Shares	-	-	180,000,000	180,000,000	8.20
Total	747,500,000	37.08	180,000,000	927,500,000	42.24
Grand Total	2,015,700,000	100.00	180,000,000	2,195,700,000	100.00

PROSPECTUS

The Chinese version of the Prospectus was published in the *China Securities News*, *Shanghai Securities News*, and *Securities Times* and on the websites <http://sse.com.cn> and <http://www.sz-expressway.com> on 29 November, 2001.

SUMMARY OF AUDITED FINANCIAL INFORMATION OF THE COMPANY PREPARED IN ACCORDANCE WITH THE PRC GAAP

(RMB)

ITEM	31 August, 2001	31 December, 2000	31 December, 1999	31 December, 1998
Total assets	6,268,631,951.43	5,930,040,413.93	5,393,891,421.29	4,904,438,835.84
Total liabilities	1,705,794,087.46	1,633,084,944.79	1,230,021,510.75	804,705,230.84
Minority interests	11,496,787.25	11,271,852.04	20,182,391.14	158,701,546.85
Shareholders' funds	4,551,341,076.72	4,285,683,617.10	4,143,687,519.40	3,941,032,058.15
Operating revenue	387,689,936.38	515,395,591.88	450,805,446.89	388,704,504.48
Gross profit	288,054,644.79	390,089,812.06	343,718,762.63	295,458,499.29
Operating profit	260,686,876.64	323,753,396.16	314,555,679.40	279,838,552.14
Profit before taxation	267,535,083.00	345,848,955.65	341,242,442.11	325,957,855.62
Profit after taxation	265,338,851.97	343,638,005.37	323,597,461.25	293,837,957.07
Earnings per share	0.132	0.170	0.161	0.146
Net asset per share	2.26	2.13	2.06	1.96

PROFIT FORECAST OF THE COMPANY

The Profit Forecast, based on the assumptions made by the directors of the Company, has been prepared in accordance with the PRC GAAP and the laws and regulations applicable to PRC enterprises and conforms with the accounting policies adopted by the Company as contained in the Prospectus in all material respects. The Profit Forecast is prepared by the Company and the preparation of the Profit Forecast is the sole responsibility of the Directors. The Directors confirm that the Profit Forecast and the financial estimations for the investment project have been prepared upon due and prudent enquiries. The preparation and calculations of the Profit Forecast have been reviewed by Tianjianxinde Certified Public Accountants, the PRC auditors. The Profit Forecast and financial estimations on the investment project have not been prepared in compliance with the published guidelines of the Hong Kong Society of Accountants regarding forecasts and have not been reviewed by an independent financial adviser or auditor in Hong Kong. The Profit Forecast and the financial estimations on the investment project may be subject to adjustments if they were prepared under the HKGAAP. Investors are reminded that owing to uncertainties relating to the assumptions which are relied upon in the Profit Forecast, they should not rely unduly on the Profit Forecast when making investment decisions.

(RMB10'000)

Item	31 December 2000 (audited)	January to August Actual (audited)	2001 Forecast		Total
			September to December Forecast		
1. Net revenue from principal operations	51,540	38,769	22,029		60,798
Less: costs of principal operations	10,447	7,955	5,244		13,199
taxes on principal operations and surcharge	2,084	2,009	1,142		3,151
2. Gross profit	39,009	28,805	15,643		44,448
Add: Other revenue	173	3,217	219		3,436
Less: Operating expenses	-	2	1		3
Administrative expenses	4,629	3,610	1,799		5,409
Financial expenses	2,177	2,341	1,114		3,455
3. Operating profit	32,376	26,069	12,948		39,017
Add: Income from other investment	2,242	708	826		1,534
Non-operating income	13	6	-		6
Less: Non-operating expenses	46	29	-		29

4.	Profit before taxation & minority interests	34,585	26,754	13,774	40,528
	Less: Income tax	-	11	5	16
	minority interests	221	209	115	324
5.	Net profit	34,364	26,534	13,654	40,188

MAJOR DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP AND HK GAAP

The accounting policies adopted by the Company for the three-year period ended 31 December 2000 as set out in the Prospectus, conform to the PRC GAAP which differ in certain respects from the HK GAAP. The major differences between the accounts prepared under the PRC and HK accounting standards are summarized as follows:

	For Years from 1998 to 2000					
	Major differences between PRC & HK accounts RMB'000					
	31 December 2000		31 December 1999		31 December 1998	
	net asset	net profit	net asset	net profit	net asset	net profit
As per PRC statutory accounts	4,282,241	339,224	4,143,687	323,597	3,941,032	293,838
As restated after HK GAAP adjustments	4,337,928	363,074	4,175,524	337,704	3,958,762	306,912
Impact of HK GAAP adjustments:	(55,687)	(23,850)	(31,837)	(14,107)	(17,730)	(13,074)
Amortisation of land use rights & depreciation of fixed assets	(56,834)	(26,297)	(30,537)	(12,807)	(17,730)	(13,074)
unrealized gains on other investment	(208)	1,092	(1,300)	(1,300)	-	-
Pre-operating expenses written off	1,355	1,355	-	-	-	-

SCHEDULE OF THE PROPOSED A SHARE ISSUE

29 November, 2001	Published the Prospectus in the PRC newspapers
4 December between	
16:00 p.m. to 20:00 p.m.	Roadshow on network(http://www.p5w.net)
5 December between	
16:00 p.m. to 18:00 p.m.	Roadshow on Shanghai Grand Hyatt Hotel
6 December, 2001	The public investors subscribe online
6 and 7 December, 2001	Securities investment funds subscribe offline

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"A Share(s)"	the domestic ordinary share(s) of the Company with a nominal value of RMB1.00 each proposed to be issued to institutional and public investors in the PRC by the Company
"A Share Issue"	the proposed issue of not more than 180 million A Shares to institutional and public investors in the PRC by the Company and such A Shares are proposed to be listed on the Shanghai Stock Exchange
"Board"	the board of directors of the Company
"Company"	Shenzhen Expressway Company Limited, a joint stock limited company established in the PRC with limited liability on 30 December, 1996, whose H Shares are listed on the Stock Exchange
"CSRC"	China Securities Regulatory Commission
"Directors"	the directors of the Company
"H Shares"	the overseas listed foreign shares of the Company with a nominal value of RMB1.00 each and listed on the Stock Exchange
"HK GAAP"	the generally accepted accounting principles in Hong Kong
"Lead Underwriter"	Zhongxin Securities Co. Ltd.(中信證券股份有限公司)
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"PRC"	the People's Republic of China excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"PRC GAAP"	the generally accepted accounting principles in the PRC
"Profit Forecast"	a profit forecast of the Company for the year ending 31 December, 2001
"Prospectus"	the prospectus of the Company in respect of the A Share Issue
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange"	Shanghai Stock Exchange of the PRC(上海證券交易所)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

By order of the Board
Zhang Rong Xing
Director and Company Secretary

Shenzhen, the PRC, 29 November, 2001

Please also refer to the published version of this announcement in the South China Morning Post.