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深圳高速公路集团股份有限公司

SHENZHEN EXPRESSWAY CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

CONNECTED TRANSACTION

**FORMATION OF JOINT VENTURE AND ACQUISITION OF EQUITY INTEREST IN
NANJING AVIS TRANSMISSION TECHNOLOGY CO., LTD.**

BACKGROUND

Reference is made to the Company's announcement dated 1 November 2021 in relation to the Articles of association of the JV Company entered between New Energy Company (a wholly-owned subsidiary of the Company) and SPIC Fujian, pursuant to which each of the parties agreed to contribute RMB290 million to establish the JV Company with a registered capital of RMB580 million. As at the date of this announcement, the JV Company has been established and owned as to 50% by each of New Energy Company and SPIC Fujian. The capital to be contributed by the Group in the JV Company will be funded by its internal resources and/or borrowings. The JV Company is not a subsidiary of the Company. For details of the Articles of association of the JV Company, the JV Company and SPIC Fujian, please refer to the aforesaid announcement.

JV COMPANY'S ACQUISITION OF 51% EQUITY INTEREST IN AVIS

As disclosed in the aforesaid announcement, the JV Company intended to acquire 51% equity interest in AVIS upon establishment.

On 29 December 2021, the JV Company, the Selling Shareholders, the Guarantors and AVIS entered into the Acquisition Agreement, pursuant to which the JV Company agreed to acquire 51% equity interest in AVIS from the Selling Shareholders at the consideration of RMB402.9 million. Upon completion of the Acquisition, AVIS will not become a subsidiary of the Company. The Company will be deemed as indirectly interested in 25.5% equity interest in AVIS through the JV Company.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE ARTICLES OF
ASSOCIATION OF THE JV COMPANY AND THE ACQUISITION OF 51% EQUITY
INTEREST IN AVIS**

The principal businesses of the Group can be categorized into the transportation infrastructure business and the general-environmental protection business. Wind power (clean energy) is a sub-sector under the general-environmental protection business of the Group which is supported by national policies. The wind power market has broad space for development and thus brought along with massive demand and market to the wind power maintenance business.

Having been engaged in operation and maintenance services of gearbox equipment in the PRC over years, AVIS possesses better technologies and capabilities in fan drive chains. It also owns the intellectual property rights of its core technologies and have a larger market share in the PRC gearbox equipment maintenance market. Through the establishment of the JV Company with SPIC Fujian and the acquisition of the controlling stake in AVIS at a reasonable price via the JV Company, the Group may, on one hand, cooperate with leading company in the industry to jointly expand in the clean energy supporting and maintenance service market; and on the other hand, help to expand the integrated wind power industry chain of the Group and enlarge Group's profit base, which are in line with the Group's development strategy and overall interests.

The Directors (including all independent non-executive Directors) consider the terms in the Articles of association of the JV Company and Acquisition Agreement were determined by the parties after arm's length negotiation and are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Since one of the Selling Shareholders, Anbeixin, is the substantial shareholder which owns approximately 23.177% interest in Nanjing Wind Power, a subsidiary of the Company, Anbeixin is a connected person at subsidiary level of the Company. Taking into account the proximity of the signing time of the Articles of association of JV Company and the Acquisition Agreement, and the Company plans to implement the Acquisition through the JV Company, the Articles of association of the JV Company and the Acquisition Agreement shall be deemed as a series of transactions and therefore the Acquisition constitute a connected transaction of the Company.

As the applicable percentage ratios of the transactions under the Articles of association of JV Company and the Acquisition Agreement are more than 1% but less than 5%, pursuant to Chapter 14A of the Listing Rules, the transactions under the Articles of association of the JV Company and the Acquisition Agreement are subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement.

BACKGROUND

Reference is made to the Company's announcement dated 1 November 2021 in relation to the Articles of association of the JV Company entered between New Energy Company (a wholly-owned subsidiary of the Company) and SPIC Fujian, pursuant to which each of the parties agreed to contribute RMB290 million to establish the JV Company with a registered capital of RMB580 million. As at the date of this announcement, the JV Company has been established and owned as to 50% by each of New Energy Company and SPIC Fujian. The capital to be contributed by the Group in the JV Company will be funded by its internal resources and/or borrowings. The JV Company is not a subsidiary of the Company. For details of the Articles of association of the JV Company, the JV Company and SPIC Fujian, please refer to the aforesaid announcement.

JV COMPANY'S ACQUISITION OF 51% EQUITY INTEREST IN AVIS

As disclosed in the aforesaid announcement, the JV Company intended to acquire 51% equity interest in AVIS upon establishment. On 29 December 2021, the JV Company, the Selling Shareholders, the Guarantors and AVIS entered into the Acquisition Agreement, the principal terms of which are as follows:

Date: 29 December 2021

Parties: the JV Company;
the Selling Shareholders;
the Guarantors; and
AVIS.

Subject matter:

As at the date of this announcement, AVIS has a registered and fully paid capital of RMB100 million which is divided into 100 million shares and held by 12 shareholders as set out in the table below. Shareholders numbered 1 to 6 (collectively, the “**Selling Shareholders**”) shall sell an aggregate of 51 million shares in AVIS (representing 51% of the issued shares of AVIS) to the JV Company at the total consideration of RMB402.9 million:

Shareholders	Number of AVIS shares held as at the date of this announcement	Number of AVIS shares to be sold to the JV Company	Consideration payable by the JV Company (RMB'000)
1 Anbeixin	26,900,000	26,900,000	212,510
2 Nanjing Tiantu	8,000,000	8,000,000	63,200
3 Chen Zhen Xing (陳震興)	10,000,000	10,000,000	79,000
4 Cheng Gong (成功)	1,600,000	1,600,000	12,640
5 Wang Rui Fang (王瑞芳)	1,400,000	1,400,000	11,060
6 Chen Tian Shu (陳天澍)	15,200,000	3,100,000	24,490
7 Nanjing Zhongyuan	13,450,000	-	-
8 Bian Wei Bin (卞維彬)	5,700,000	-	-
9 Xu Yong (徐泳)	2,700,000	-	-
10 Wang Jiong (王炯)	12,400,000	-	-
11 Zhang Hua (張華)	2,100,000	-	-
12 Lu Yi Wen (盧一文)	550,000	-	-
Total:	100,000,000	51,000,000	402,900

Shareholders numbered 7 to 9 in the above table are referred to as the “**Guarantors**”.

Consideration and the basis of determination:

The consideration of RMB402.9 million for the JV Company’s acquisition of 51% equity interest in AVIS is arrived by the parties after arm’s length negotiations on normal commercial terms.

The Group has comprehensively taken into account the space for development in the wind power operation and maintenance market, AVIS’s experiences and capabilities in the gearbox equipment operation and maintenance service industry and the impact of the Acquisition on the expansion of the Group’s integrated wind power industry chain, etc. as the major consideration factors in the negotiation of the consideration of the subject acquisition. The Group has also referred to the valuation report prepared by Pengxin Appraisal.

The assessed value prepared by Pengxin Appraisal of 100% equity interest in AVIS as at 31 December 2020 is RMB790,607,200. Accordingly, the value of 51% equity interest in AVIS is calculated to be RMB403,209,672.

The income approach was adopted in the valuation of the equity interest in AVIS by Pengxin Appraisal, which constitutes a profit forecast under Rule 14.61 of the Listing Rules. Details of the assumptions used for the profit forecast are set out under the section headed "Valuation" below.

Payment manner of the consideration:

The JV Company shall pay RMB402.9 million by bank transfer to the Selling Shareholders according to the following schedule:

1. the JV Company shall pay RMB300.9 million to the Selling Shareholders within 5 business days from the date of the completion of the transfer of 51% equity interest in AVIS, amendments to the articles of association, and changes to the members of the board, members of the supervisory committee and members of senior management;
2. the JV Company shall pay RMB102 million to the Selling Shareholders within 5 business days from the date of AVIS successfully renew the service contract not lower than the existing maintenance cooperation scale to 31 December 2025 with its client Nanjing High Speed Gear Manufacturing Co., Ltd., which is a third party independent of the Company and its connected persons.

Profit Guarantee:

After the acquisition of 51% equity interest in AVIS, AVIS will continue to operate and manage by its existing management team.

The Guarantors and Chen Tian Shu (陳天澍) (one of the Selling shareholders) have jointly guaranteed that AVIS will record a net profit of no less than RMB53.0 million, RMB59.1 million and RMB66.1 million for each of the three financial years ending 31 December 2021, 31 December 2022 and 31 December 2023. If the net profit of AVIS fails to meet the target in any year, the above-mentioned parties shall make up to the JV Company for the difference in the shareholders' net profit that the JV Company should obtain based on its shareholding in AVIS.

If the net profit of AVIS exceeds the corresponding agreed amounts in any of the above years, the JV Company agreed that the AVIS shall distribute certain portion of the exceeded net profit to the Guarantors and Chen Tian Shu (陳天澍) as an award, and such portion shall not exceed 35% of the exceeded net profit. The Guarantors and Chen Tian Shu (陳天澍) may submit a proposal on the award plan to the general meeting the AVIS for consideration.

Conditions precedent:

The effectiveness of the Acquisition Agreement is subject to fulfillment of all the following conditions:

1. The Selling Shareholders and the Guarantors have ensured that AVIS's senior management and core technical staff remain stable, and arranged for all the 5 designated employees and at least 11 employees among 13 other designated employees to sign labor contracts of not less than 4 years and non-competition

agreements of not less than 2 years with AVIS;

2. The Selling Shareholders and the Guarantors have arranged AVIS to sign a termination of merge and acquisition consultancy agreement dated 7 September 2020 with its merge and acquisition consultant; and
3. The JV Company, the Company, and SPIC Fujian have approved the Acquisition Agreement and related matters. As at the date of this announcement, this condition has been satisfied.

Completion:

The Selling Shareholders shall transfer 51% equity interest in AVIS to the JV Company in one lump sum within 10 working days after the effective date of the Acquisition Agreement. The completion of the transfer shall take place upon AVIS completes the registration of equity change and updates the register of shareholders at the Jiangsu Equity Exchange Center.

After the completion of the Acquisition, the shareholding structure of AVIS is as follows:

Shareholders	Number of AVIS shares to be held on the completion date	Percentage (%)
the JV Company	51,000,000	51.00%
Chen Tian Shu (陳天澍)	12,100,000	12.10%
Nanjing Zhongyuan	13,450,000	13.45%
Bian Wei Bin (卞維彬)	5,700,000	5.70%
Xu Yong (徐泳)	2,700,000	2.70%
Wang Jiong (王炯)	12,400,000	12.40%
Zhang Hua (張華)	2,100,000	2.10%
Lu Yi Wen (盧一文)	550,000	0.55%
Total:	100,000,000	100.00%

According to the Articles of association of the JV Company, the Group only needs to inject RMB290 million as the registered capital of the JV Company and has no other financial commitments. Therefore, the Group is not responsible for apportioning of consideration paid under the Acquisition Agreement by the JV Company or future financial resources input to AVIS (if any). Since the JV Company is not a subsidiary of the Company, after the completion of the Acquisition, AVIS will not become a subsidiary of the Company. The Company will be deemed as indirectly interested in 25.5% equity interest in AVIS through the JV Company.

VALUATION

Pengxin Appraisal has assessed the valuation of 100% interest in AVIS by income approach with the base date set on 31 December 2020. As the valuation has adopted income approach which involves the use of discounted cash flow methodology and constitutes a profit forecast under Rule 14.61 of the Listing Rules, this announcement shall comply with the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

Pursuant to Rule 14.62 of the Listing Rules, the key assumptions of this valuation mainly include the followings:

1. There are no material changes in the relevant existing national laws, regulations and policies, national macroeconomic conditions as well as in the local political, economic and social environment of such places where the parties to the transaction are operating, and there are no substantial changes in relation to the interest rates, exchange rates, tax bases, tax rates and policy-based levies. There are no material adverse effects caused by other force majeure factors;
2. the information necessary for the valuation provided by the client and/or related parties is true, complete, legal and valid;
3. the information obtained from sources other than the client and/or related parties can reasonably reflect the trading logic, corresponding market transaction trends, market operation conditions or market development trends, etc.;
4. unless otherwise stated, described or considered in the asset valuation report, the obtaining, usage or ownership of the appraised object or appraised assets is assumed in compliance with the provisions of the laws, regulations and regulatory documents of the PRC;
5. unless otherwise stated in the asset valuation report, the appraised assets are assumed to be in a normal state;
6. the future operation data and future profit forecasts of the appraised object have been provided by the appraised object. The valuer used the information collected and learned in the same industry, combined with the historical operating conditions of the appraised object, and conducted a proper analysis of its rationality.

Meanwhile, the valuation has used the operating results of the company under valuation over previous years as basis, estimate the future operation and revenue of AVIS through analysis over revenue, costs, financial structure, business development trends and growth movements, etc. The expected operating revenue and corporate free cash flow of AVIS are as follows:

Unit: RMB'0,000

Duration (Year)	Operating Revenue	Corporate Free Cash Flow
2021	51,870.00	-2,435.12
2022	56,700.00	4,835.11
2023	61,440.00	6,182.37
2024	66,070.00	6,919.54
2025	70,510.00	7,490.05
2026	74,040.00	7,728.45
2027 and perpetual period	74,040.00	8,409.96

Based on the above premises and assumptions, value of 100% interest in AVIS as at the valuation base date of 31 December 2020 was approximately RMB790,607,200.

The Board has reviewed the principal assumptions adopted in the valuation, and is of the view that the valuation has been made after due and careful enquiry. The reporting accountant, Moore Stephens, has reviewed the calculation of discounted future estimated cash flows adopted by Pengxin Appraisal on which the valuation is based. The letters from the Board and

Moore Stephens are included in Appendices I and II to this announcement, respectively.

INFORMATION ON AVIS

AVIS is a joint stock limited company incorporated in the PRC with limited liability. It is a high-tech enterprise which specializes in wind power aftermarket operation and maintenance services with a focus on the operation and maintenance services of wind power gearbox equipment.

The table below sets out the financial information of AVIS for the two years ended 31 December 2020 and the 6 months ended 30 June 2021 prepared in accordance with the PRC Accounting Standard for Business Enterprises:

	<i>Unit: RMB'000</i>		
	For the year ended 31 December 2019	For the year ended 31 December 2020	For the 6 months ended 30 June 2021
	<i>(audited)</i>	<i>(audited)</i>	<i>(unaudited)</i>
Net profit (before tax)	66,819	70,808	32,211
Net profit (after tax)	55,477	61,390	26,187

As at 31 December 2020 and 30 June 2021, the net assets of AVIS is approximately RMB235.40 million and RMB257.07 million, respectively.

INFORMATION OF THE PARTIES

The Company and its subsidiaries are principally engaged in the investment, construction, operation and management of toll highways and roads, as well as other urban and transportation infrastructure facilities.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the information of the parties in relation to the Articles of association of the JV Company and the Acquisition Agreement are as follows:

Please refer to the Company's announcement dated 1 November 2021 for the information of SPIC Fujian, the party to the Articles of association of the JV Company.

Selling Shareholders

Anbeixin is a limited company incorporated in the PRC which principally engages in venture capital management, business management consultation, and financial consultation. It is a substantial shareholder which owns approximately 23.177% interest in a subsidiary of the Company, Nanjing Wind Power. Its ultimately beneficial owner is Zhai Shu Ping (翟淑萍), an individual and a director of Anbeixin.

Nanjing Tiantu is a limited company incorporated in the PRC which principally engages investment management and consultation services. Its ultimate beneficial owner is Zhang Yun Long (張雲龍), an individual and the general manager of Nanjing Tiantu.

Chen Zhen Xing (陳震興) is an individual and the senior consultant of AVIS.

Chen Tian Shu (陳天澍) is an individual and the president of AVIS.

Each of Cheng Gong (成功) and Wang Rui Fang (王瑞芳) is an individual and a merchant / professional investor.

the Guarantors

Nanjing Zhongyuan is a partnership established in the PRC, which is principally engaged in corporate management and consulting related businesses etc. It is owned as to 25% interest by each of Chen Tian Shu, Bian Wei Bin, Chen Zhen Xing and Xu Yong.

Bian Wei Bin (卞維彬) is an individual and the chairman and vice president of AVIS.

Xu Yong (徐泳) is an individual and the vice president and financial director of AVIS.

Other shareholders in AVIS

Each of Wang Jiong (王炯), Zhang Hua (張華), Lu Yi Wen (盧一文) is an individual and a merchant / professional investor.

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, Save as disclosed in this announcement, the above-mentioned parties and their respective ultimate beneficial owners (if applicable) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ARTICLES OF ASSOCIATION OF THE JV COMPANY AND THE ACQUISITION OF 51% EQUITY INTEREST IN AVIS

The principal businesses of the Group can be categorized into the transportation infrastructure business and the general-environmental protection business. Wind power (clean energy) is a sub-sector under the general-environmental protection business of the Group which is supported by national policies. The wind power market has broad space for development and thus brought along with massive demand and market to the wind power maintenance business. Having been engaged in operation and maintenance services of gearbox equipment in the PRC over years, AVIS possesses better technologies and capabilities in fan drive chains. It also owns the intellectual property rights of its core technologies and have a larger market share in the PRC gearbox equipment maintenance market. Through the establishment of the JV Company with SPIC Fujian and the acquisition of the controlling stake in AVIS at a reasonable price via the JV Company, the Group may, on one hand, cooperate with leading company in the industry to jointly expand in the clean energy supporting and maintenance service market; and on the other hand, help to expand the integrated wind power industry chain of the Group and enlarge Group's profit base, which are in line with the Group's development strategy and overall interests.

The Board convened a meeting on 18 October 2021, wherein it had considered and approved the Articles of association of the JV Company and the Acquisition which was then contemplated may be carried out by the JV Company. None of the Directors has material interests in the relevant resolutions and shall abstain from voting.

The Directors (including all independent non-executive Directors) consider the terms in Articles of association of JV Company and Acquisition Agreement were determined by the parties after arm's length negotiation and are fair and reasonable, and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Since one of the Selling Shareholders, Anbeixin, is the substantial shareholder which owns approximately 23.177% interest in Nanjing Wind Power, a subsidiary of the Company, Anbeixin is a connected person at subsidiary level of the Company. Taking into account the proximity of the signing time of the Articles of association of JV Company and the Acquisition Agreement, and the Company plans to implement the Acquisition through the JV Company, the Articles of association of JV Company and the Acquisition Agreement shall be deemed as a series of transactions and therefore the Acquisition constitute a connected transaction of the Company.

As the applicable percentage ratios of the transactions under the Articles of association of JV Company and the Acquisition Agreement are more than 1% but less than 5%, pursuant to Chapter 14A of the Listing Rules, the transactions under the Articles of association of JV Company and the Acquisition Agreement are subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement.

EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice contained in this announcement:

Name	Qualifications
Pengxin Appraisal	an independent qualified valuer in the PRC engaged in valuation
Moore Stephens	Certified Public Accountants, Hong Kong

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Pengxin Appraisal and Moore Stephens is an independent third party of the Company.

As at the date of this announcement, none of Pengxin Appraisal and Moore Stephens has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Pengxin Appraisal and Moore Stephens has given and has not withdrawn its consent to the publication of this announcement with the inclusion of its opinion and advice and all references to its name in the form and context in which they are included.

DEFINITIONS

“Acquisition”	the acquisition of 51% equity interest in AVIS by JV Company from the Selling Shareholders pursuant to the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 29 December 2021 entered into among the JV Company, the Selling Shareholders, the Guarantors and AVIS in relation to the Acquisition
“Anbeixin”	Nanjing Anbeixin Investment Management Co., Ltd. (南京安倍信投資管理有限公司), a limited company incorporated in the PRC and one of the Selling Shareholders which owns approximately 26.9% equity interest in AVIS and approximately 23.177% equity interest in Nanjing Wind Power as at the date of this announcement

“AVIS”	Nanjing AVIS Transmission Technology Co., Ltd. (南京安維士傳動技術股份有限公司), a joint stock limited company incorporated in the PRC with limited liability
“Board”	the board of directors of the Company
“Company”	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Guarantors”	has the meaning ascribed to it under section headed “JV Company’s Acquisition of 51% equity interest in AVIS – Subject Matter” in this announcement
“Articles of association of the JV Company”	the articles of association dated 1 November 2021 entered into between New Energy Company and SPIC Fujian, details of which are set out in the Company’s announcement dated 1 November 2021
“JV Company”	Shenzhen Fenghe Energy Investment Co., Ltd. (深圳峰和能源投資有限公司), the limited company incorporated pursuant to the Articles of association of the JV Company which owned as to 50% by each of New Energy Company and SPIC Fujian
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Moore Stephens”	Moore Stephens CPA Limited
“Nanjing Wind Power”	Nanjing Wind Power Technology Co., Ltd (南京風電科技有限公司), a company incorporated in the PRC and a non wholly-owned subsidiary of the Company
“Nanjing Tiantu”	Nanjing Tiantu Investment Management Co., Ltd, (南京天圖投資管理有限公司), a company incorporated in the PRC
“Nanjing Zhongyuan”	Nanjing Zhongyuan Enterprise Management and Consultation Centre (General Partnership) (南京中源企業管理諮詢中心 (普通合夥)), a general partnership established in the PRC

“New Energy Company”	Shenzhen Expressway New Energy Holdings Co., Ltd. (深圳高速新能源控股有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Pengxin Appraisal”	Shenzhen Pengxin Appraisal Limited (深圳市鵬信資產評估土地房地產估價有限公司), a qualified independent valuer engaged in valuation in the PRC
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Selling Shareholders”	has the meaning ascribed to it under section headed “JV Company’s Acquisition of 51% equity interest in AVIS – Subject Matter” in this announcement
“SPIC Fujian”	SPIC Fujian Electric Power Co., Ltd. (國家電投集團福建電力有限公司), a limited company incorporated in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Notes:

In this announcement, the English names of certain PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

By Order of the Board
Gong Tao Tao
Joint Company Secretary

Shenzhen, PRC, 29 December 2021

As at the date of this announcement, the Directors of the Company are Mr. HU Wei (Executive Director and Chairman of the Board), Mr. LIAO Xiang Wen (Executive Director and President), Mr. WANG Zeng Jin (Executive Director), Mr. WEN Liang (Executive Director), Mr. DAI Jing Ming (Non-executive Director), Ms. LI Xiao Yan (Non-executive Director), Ms. CHEN Hai Shan (Non-executive Director), Mr. BAI Hua (Independent non-executive Director), Mr. LI Fei Long (Independent non-executive Director), Mr. MIAO Jun (Independent non-executive Director) and Mr. XU Hua Xiang (Independent non-executive Director).

APPENDIX I : LETTER FROM THE BOARD

Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square,
8 Connaught Place, Central, Hong Kong

Dear Sirs,

Re: Rule 14.62 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Reference is made to the announcement (the “Announcement”) of Shenzhen Expressway Corporation Limited (the “Company”) dated 29 December 2021, which mentioned the valuation (the “Valuation”) carried out by Shenzhen Pengxin Appraisal Limited (“Pengxin Appraisal”) on the value of 100% interest in Nanjing AVIS Transmission Technology Co.,Ltd..

We have reviewed the Valuation for which Pengxin Appraisal are responsible, and discuss with Pengxin Appraisal on relevant matters (including the part of bases and assumptions upon which the Valuation has been prepared). We have also considered the letter from reporting accountant, Moore Stephens CPA Limited, dated 29 December 2021 addressed to us regarding whether the discounted cash flow forecast on which the Valuation is based was compiled properly so far as the calculations are concerned.

On the basis of the foregoing, we are of the opinion that the Valuation mentioned in the Announcement has been stated after due and careful enquiry.

Yours faithfully,

By Order of the Board
Shenzhen Expressway Corporation Limited
HU Wei
Chairman

29 December 2021

APPENDIX II

The following is the text of the report received from the Company's reporting accountants, Moore Stephens CPA Limited, Certified Public Accountants, for the purpose of inclusion in this announcement.



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REPORT ON DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF THE EQUITY INTEREST IN NANJING AVIS TRANSMISSION TECHNOLOGY CO., LTD. (THE "TARGET COMPANY")

To the Board of Directors of Shenzhen Expressway Corporation Limited (the "Company")

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Shenzhen Pengxin Appraisal Limited dated 17 November 2021 in respect of the entire equity interest of the Target Company as at 31 December 2020 (the "Valuation") is based. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and will be included in an announcement of the Company dated 29 December 2021 in connection with the acquisition of 51% equity interest in the Target Company (the "Announcement").

Directors' responsibilities for the discounted future estimated cash flows

The directors of the Company and the Target Company (the "Directors") are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors and set out in the section headed "Valuation" of the Announcement (the "Assumptions"). The responsibilities include carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting accountant's independence and quality control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants’ responsibilities

Our responsibility is to express an opinion on whether the calculations of the discounted future estimated cash flows have been properly compiled, in all material respects, in accordance with the Assumptions on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work was limited primarily to making inquiries of the management of the Company and the Target Company, considering the analyses and assumptions on which the discounted future estimated cash flows are based and checking the arithmetic accuracy of the compilation of the discounted future estimated cash flows. Our work does not constitute any valuation of the Target Company.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Moore Stephens CPA Limited
Certified Public Accountants
Hong Kong, 29 December 2021