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Shenzhen International Holdings Limited  
深圳國際控股有限公司  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 00152)



深圳高速公路集團股份有限公司  
SHENZHEN EXPRESSWAY CORPORATION LIMITED  
(a joint stock limited company incorporated in the People's  
Republic of China with limited liability)  
(Stock Code: 00548)

## JOINT ANNOUNCEMENT

**(1) DISCLOSEABLE TRANSACTION -  
ENTERING INTO THE A SHARE  
SUBSCRIPTION AGREEMENT ;**

**AND**

**(2) MAJOR TRANSACTION -  
DEEMED DISPOSAL OF EQUITY  
INTERESTS IN SHENZHEN  
EXPRESSWAY**

**(1) PROPOSED ISSUANCE OF A SHARES  
TO SPECIFIC TARGETS UNDER  
SPECIFIC MANDATE;**

**AND**

**(2) CONNECTED TRANSACTION:  
ENTERING INTO THE A SHARE  
SUBSCRIPTION AGREEMENT**

### **PROPOSED ISSUANCE OF A SHARES TO SPECIFIC TARGETS UNDER SPECIFIC MANDATE**

On 14 July 2023, the board of directors of Shenzhen Expressway (a subsidiary owned as to approximately 51.56% by Shenzhen International) approved the Issuance of A Shares to Specific Targets, pursuant to which Shenzhen Expressway propose to issue no more than 654,231,097 (inclusive) A Shares (representing not more than 30% of the total number of issued shares of Shenzhen Expressway immediately prior to the Issuance of A Shares to Specific Targets) to no more than 35 (inclusive) Specific Targets (including XTC Company, a wholly-owned subsidiary of Shenzhen International) with an expected proceeds (before deducting relevant issuance expenses) of no more than RMB6.5 billion. XTC Company agreed to subscribe for A Shares in the amount of not more than RMB1.51 billion.

### **THE A SHARE SUBSCRIPTION AGREEMENT**

According to the proposal of the Issuance of A Shares to Specific Targets, on 14 July 2023, XTC Company and Shenzhen Expressway entered into the A Share Subscription Agreement, pursuant to which, Shenzhen Expressway conditionally agreed to issue to XTC Company, and XTC Company conditionally agreed to subscribe for A Shares to be issued under the Issuance in the total amount of not more than RMB1.51 billion.

Upon completion of the Issuance, Shenzhen International will hold no less than 45% (inclusive) of the total issued shares of Shenzhen Expressway through its wholly-owned subsidiaries, and Shenzhen International is expected to continue to have control over Shenzhen Expressway. In accordance with the existing Hong Kong Financial Reporting

Standards, Shenzhen Expressway will continue to be accounted for as a subsidiary in the accounts of Shenzhen International and its financial results will continue to be consolidated into the financial statements of Shenzhen International. The Issuance will not have material impact on Shenzhen International's interest in and control over Shenzhen Expressway.

## **LISTING RULES IMPLICATIONS**

### ***Shenzhen International***

In respect of Shenzhen International, XTC Company's entering into the A Share Subscription Agreement with Shenzhen Expressway constitutes a transaction for Shenzhen International under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are less than 25%, the entering into of the A Share Subscription Agreement constitutes a discloseable transaction of Shenzhen International and is therefore subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

In addition, as the Issuance will result in a reduction in Shenzhen International's shareholding in Shenzhen Expressway, such reduction will be deemed as a disposal of Shenzhen International's equity interests in Shenzhen Expressway under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceed 25% but are less than 75%, the Deemed Disposal constitutes a major transaction of Shenzhen International and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Shenzhen Expressway***

Upon Shenzhen Expressway having obtained the specific mandate for the Issuance from the EGM and Class Meetings, it will issue new A Shares pursuant to the proposal of the Issuance of A Shares to Specific Targets. Pursuant to Chapter 19A of the Listing Rules and its articles of association, Shenzhen Expressway will seek for the specific mandate and approval for the Issuance from its Independent Shareholders by way of special resolutions. Thereafter, it will proceed with the Issuance of A Shares to Specific Targets.

As at the date of this joint announcement, Shenzhen International indirectly holds 1,066,239,887 A Shares and 58,194,000 H Shares, representing approximately 51.56% of the issued shares of Shenzhen Expressway, and is the controlling shareholder of Shenzhen Expressway. Hence, Shenzhen International and its associates are connected persons of Shenzhen Expressway, and the XTC Company A Share Subscription constitutes a connected transaction of Shenzhen Expressway and is subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising the independent non-executive directors of Shenzhen Expressway has been formed to advise the Independent Shareholders on the terms of the XTC Company A Share Subscription. Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the same.

Shenzhen International and its associates, and persons participating in or interested in the Issuance of A Shares to Specific Targets shall abstain from voting on the corresponding resolutions proposed at the EGM and/or the Class Meetings. To the best of knowledge, information and belief of the directors of Shenzhen Expressway, as at the date of this joint announcement, save for Shenzhen International and its associates, none of its shareholders has a material interest in the Issuance or the XTC Company A Share Subscription and is required to abstain from voting on the approval of the relevant resolution(s) at the EGM or the Class Meetings.

### **GENERAL INFORMATION**

Shenzhen International will convene the SGM for its shareholders to consider and, if thought fit, to pass the resolutions in respect of, the Issuance (and the Deemed Disposal derived therefrom). A circular containing, among others, (i) details of the Issuance (and the Deemed Disposal derived therefrom); (ii) notice of the Shenzhen International's SGM; and (iii) other information required by the Listing Rules is expected to be despatched to the shareholders of Shenzhen International on or before 4 August 2023.

Shenzhen Expressway will convene the EGM and the Class Meetings for its shareholders to consider and, if thought fit, to pass the resolutions in respect of the Issuance and the XTC Company A Share Subscription. A circular containing, among others, (i) details of the Issuance of A Shares to Specific Targets under the specific mandate (including the authorisation to the board of directors and its authorised person(s) to handle all matters relating to the Issuance and listing); (ii) details of the XTC Company A Share Subscription; (iii) a letter from the Independent Board Committee to the Independent Shareholders; (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (v) notice of the EGM and the Class Meetings, is expected to be despatched to the shareholders of Shenzhen Expressway on or before 4 August 2023.

**The implementation of the Issuance of A Shares to Specific Targets and the A Share Subscription Agreement are subject to satisfaction of certain conditions. As such, the Issuance of A Shares to Specific Targets and the A Share Subscription Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of Shenzhen International and Shenzhen Expressway.**

### **PROPOSED ISSUANCE OF A SHARES TO SPECIFIC TARGETS UNDER SPECIFIC MANDATE**

On 14 July 2023, the board of directors of Shenzhen Expressway approved the Issuance of A Shares to Specific Targets, pursuant to which Shenzhen Expressway propose to issue no more than 654,231,097 (inclusive) A Shares (representing not more than 30% of the total number of issued shares of Shenzhen Expressway immediately prior to the Issuance of A Shares to Specific Targets) to no more than 35 (inclusive) Specific Targets (including XTC Company, a wholly-owned subsidiary of Shenzhen International) with an expected proceeds (before deducting relevant issuance expenses) of no more than RMB6.5 billion.

According to the proposal for the Issuance of A Shares to Specific Targets, on 14 July 2023, XTC Company and Shenzhen Expressway entered into the A Share Subscription Agreement, pursuant to which, Shenzhen Expressway conditionally agreed to issue to XTC Company, and XTC Company conditionally agreed to subscribe for A Shares to be issued under the Issuance at the final issue price of the Issuance in the amount of not more than RMB1.51 billion.

Upon completion of the Issuance, Shenzhen International will hold no less than 45% (inclusive) of the total issued shares of Shenzhen Expressway through its wholly-owned subsidiaries.

In respect of the Issuance (including the XTC Company A Share Subscription), the board of directors of Shenzhen Expressway has approved the following resolutions: (i) the resolution in relation to Shenzhen Expressway being satisfied for the requirements of the Issuance of A Shares to Specific Targets; (ii) the resolution in relation to the proposal of the Issuance of A Shares to Specific Targets by Shenzhen Expressway; (iii) the resolution in relation to the plan of the Issuance of A Shares to Specific Targets by Shenzhen Expressway; (iv) the resolution in relation to the demonstration and analysis report of the Issuance of A Shares to Specific Targets by Shenzhen Expressway; (v) the resolution in relation to the feasibility analysis report on the use of proceeds of the Issuance of A Shares to Specific Targets by Shenzhen Expressway; (vi) the resolution in relation to Shenzhen Expressway is not required to issue the report on use of proceeds from previous fund-raising activities; (vii) the resolution in relation to Shenzhen Expressway's entering into the conditional share subscription agreements with Specific Targets and the related/connected transaction; (viii) the resolution in relation to propose to authorise the board of directors to handle matters related to the Issuance of A Shares to Specific Targets; (ix) the resolution in relation to the dilution of current returns, remedial measures and the corresponding undertakings for the Issuance of A Shares to Specific Targets; and (x) the resolution to convene the EGM and the Class Meetings.

## 1. PROPOSAL FOR THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS

A summary of the proposal for the Issuance of A Shares to Specific Targets is set out as follows:

- |   |  |
|---|--|
| (1) Class and nominal value of shares to be issued: | A Shares with nominal value of RMB1.00 each<br><br>The aggregate nominal value of the A Shares to be issued to the Specific Targets will be no more than RMB654,231,097.<br><br>The new A Shares to be issued will rank <i>pari passu</i> with the existing A Shares in all respects.  |
| (2) Method and timing of the issuance:              | The Issuance will be conducted by way of issuance of shares to Specific Targets.<br><br>Shenzhen Expressway will issue A Shares to the Specific Targets at an appropriate time upon having obtained approval from the Shanghai Stock Exchange and within the effective registration period consent by the CSRC.  |
| (3) Target subscribers and method of subscription:  | The subscribers under the Issuance of A Shares to Specific Targets include no more than 35 (inclusive) Specific Targets (including XTC Company), which meet the criteria required by the CSRC. All Specific Targets shall subscribe the A Shares under the Issuance in cash, among which, XTC Company agreed to subscribe for A Shares under the Issuance in the amount of no more than RMB1.51 billion. |

Apart from XTC Company, the scope of the other Specific Targets includes securities investment fund management companies, securities companies, trust companies, finance companies, insurance institutional investors, qualified foreign institutional investors and other legal persons, natural persons or other qualified institutions which satisfy the investor requirements of the CSRC. Among them, securities investment fund management companies, securities companies, qualified foreign institutional investors, and RMB qualified foreign institutional investors who subscribe for the shares through two or more products under their management shall be deemed as one Specific Target. Specific Targets who are trust investment companies shall only subscribe with their own funds.

Upon Shenzhen Expressway having obtained approval from the Shanghai Stock Exchange and the CSRC having provided its consent for the relevant registration, the board of directors of Shenzhen Expressway or its authorised person(s) will identify the Specific Targets (other than XTC Company) upon negotiations with its sponsor (the lead underwriter) in accordance with the bidding results and pursuant to the authorisation granted at the EGM and the Class Meetings.

As Shenzhen International is the controlling shareholder of Shenzhen Expressway as at the date of this joint announcement, the XTC Company A Share Subscription constitutes a connected transaction of Shenzhen Expressway under Chapter 14A of the Listing Rules. Shenzhen Expressway shall comply with the relevant regulatory rules and be subject to the approval and disclosure requirements in respect of the transaction accordingly.

As at the date of this joint announcement, save for the A Share Subscription Agreement, Shenzhen Expressway has not entered into any agreement with any potential subscriber in relation to the Issuance. The Specific Targets (other than XTC Company) and their respective ultimate beneficial owners will be third parties independent of Shenzhen Expressway and its connected persons, and none of such Specific Targets will become a substantial shareholder of Shenzhen Expressway after completion of the subscription under the Issuance. If any Specific Target (other than XTC Company) is a connected person of Shenzhen Expressway, Shenzhen Expressway will take all reasonable measures to comply with the relevant requirements under Chapter 14A of the Listing Rules.

(4) Issue price and pricing method:

The pricing benchmark date shall be the first day of the issuance period of the Issuance.

The issue price of the Issuance shall not be lower than the higher of (the “**Minimum Issue Price**”):

1. Shenzhen Expressway’s audited net assets per share attributable to the ordinary shareholders of the parent company as at the end of the most recent period prior to the Issuance.

In the event that Shenzhen Expressway carries out ex-dividend and ex-right activities such as distribution of dividend, bonus share issue, allotment of shares, conversion of capital reserve into share capital during the period from the balance sheet date of the latest audited financial report up to the issuance date, the value of the above net assets per share shall be adjusted accordingly.

As disclosed in the 2022 annual report of Shenzhen Expressway, as at the date of this joint announcement, the audited net assets value per share of Shenzhen Expressway attributable to the ordinary shareholders of the parent company as at the end of the most recent period is RMB7.954 per share. Shenzhen Expressway distributed dividend of RMB0.462 per share in 2023. Accordingly, the adjusted net asset value per share is RMB7.492 per share. The above information is for reference only.

2. 80% of the average trading price of Shenzhen Expressway’s A Shares in the 20 Trading Days prior to the Pricing Benchmark Date (excluding the Pricing Benchmark Date). The average trading price of Shenzhen Expressway’s A Shares in the 20 Trading Days prior to the Pricing Benchmark Date = the total trading value of Shenzhen Expressway’s A Shares in the 20 Trading Days prior to the Pricing Benchmark Date / the total trading volume of Shenzhen Expressway’s A Shares in the 20 Trading Days prior to the Pricing Benchmark Date.

In the event that Shenzhen Expressway carries out ex-dividend and ex-right activities such as distribution of dividend, bonus share issue, allotment of shares, conversion of capital reserve into share capital, which result in adjustment of its share price during the 20 Trading Days prior to the Pricing Benchmark Date, the trading prices of the Trading Days prior to such price adjustment shall be calculated according to the prices as adjusted by the relevant ex-dividend and ex-right activities.

On the basis of the aforementioned Minimum Issue Price, the final issue price shall be determined by negotiations between the board of directors of Shenzhen Expressway or its authorised person(s) and the sponsor (the lead underwriter) according to the price bidding results, under the authorisation to be granted at the EGM and the Class meetings, and in compliance with the relevant laws and regulations and requirements of regulatory authority, after Shenzhen Expressway having obtained approval from the Shanghai Stock Exchange and the CSRC having provided its consent for the relevant registration.

In case Shenzhen Expressway carries out ex-dividend and ex-right activities such as distribution of dividend, bonus share issue, allotment of shares, conversion of capital reserve into share capital during the period from the Pricing Benchmark Date to the issuance date, the final issue price shall be adjusted in accordance with the following formula:

Assuming  $P_0$  denotes the issue price before the adjustment,  $N$  denotes the ratio of bonus shares or the conversion rate of capital reserve,  $D$  denotes the amount of cash dividends payable per share, and  $P_1$  denotes the new issue price after adjustment, then:

In the case of distribution of cash dividends:  $P_1 = P_0 - D$

In the case of grant of bonus shares or conversion of capital reserve into share capital:  $P_1 = P_0 / (1 + N)$

In case both of the above occur simultaneously:  $P_1 = (P_0 - D) / (1 + N)$

XTC Company will not participate in the market price bidding process for determining the issue price of the Issuance, and undertook that it will subscribe the A Shares at the price determined by the price bidding, which will be same as the price to be offered to the other Specific Targets. If the final issue price of the Issuance cannot be determined through bidding, XTC Company will not participate in the subscription of the A Shares under the Issuance.

(5) Number of A Shares to be issued:

The number of A Shares to be issued under the Issuance shall be no more than 30% of the total number of issued shares of Shenzhen Expressway immediately prior to the Issuance, i.e. not more than 654,231,097 shares (inclusive). Number of shares to be subscribed = subscription amount/final issue price per share, and the number of shares to be subscribed is rounded down to the nearest integer.

In the event Shenzhen Expressway grants bonus shares, convert its capital reserve into share capital, or carries out any other activities leading to changes in its total share capital during the period from the approval date of its board resolutions in relation to the Issuance up to the issuance date, the maximum number of A Shares to be issued under the Issuance shall be adjusted accordingly.

The final number of A Shares to be issued shall be determined by the negotiations between the board of directors of Shenzhen Expressway or its authorised person(s) and its sponsor (the lead underwriter) pursuant to the authorisation to be granted at the EGM and the Class meetings, subject to the then actual circumstances, and within maximum limit of the A Shares to be issued upon the approval from the Shanghai Stock Exchange and the consent for registration from the CSRC.

(6) Lock-up arrangement:

Upon completion of the Issuance, the shares to be subscribed by XTC Company under the Issuance shall be refrained from being transferred within eighteen (18) months from the completion date of the Issuance, and the shares subscribed by the other Specific Targets under the Issuance shall be refrained from being transferred within six (6) months from the completion date of the Issuance. If relevant laws, regulations and regulatory documents have other regulations on the lock-up periods for the shares to be issued under the Issuance, such regulations shall be followed. Upon expiration of the lock-up period, the disposal of the shares by the Specific Targets shall be carried out in accordance with the Company Law, the Securities Law, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, other laws, regulations, departmental rules, regulatory documents and the articles of association.

Upon completion of the Issuance, any extra shares derived from events such as the grant of bonus shares, conversion of capital reserve into share capital, etc. by Shenzhen Expressway for the shares obtained by the Specific Targets under the Issuance shall also comply with the above lock-up arrangement.

(7) Place of listing:

Shenzhen Expressway will apply to the Shanghai Stock Exchange for the listing of, and permission to deal in, the A Shares to be issued pursuant to the Issuance.

(8) Amount and use of proceeds:

The proceeds to be raised from the Issuance will be no more than RMB6.5 billion (inclusive). After deducting relevant issuance expenses, all of the net proceeds to be raised are intended to be used in the following projects:

No.	Name of project	Total project investment (RMB100 million)	Total outstanding investment (Kengzi to Dapeng Section) (RMB100 million)	Proposed amount of net proceeds to be applied (RMB100 million)
1	Outer Ring Expressway (Shenzhen Section)	294.04	84.47	46.00
2	Repayment of interest-bearing liabilities	-	-	19.00
	<b>Total</b>	<b>294.04</b>	<b>84.47</b>	<b>65.00</b>

To ensure the smooth implementation of the projects to be funded by the proceeds and safeguard the interests of all shareholders of Shenzhen Expressway, before receiving the proceeds of the Issuance, Shenzhen Expressway may utilise its self-raised funds to advance investments in the projects to be funded by proceeds based on the implementation progress and actual circumstances of such projects, and replace such funds according to the relevant regulations and regulatory documents after receipt of the proceeds. If the actual amount of net proceeds (after deducting relevant issuance expenses) falls short of the proposed amount of proceeds to be applied to the aforesaid projects, the board of directors of Shenzhen Expressway or its authorised person(s) will, based on circumstances such as the actual amount of net proceeds and the urgency of the projects, adjust and determine the application of the proceeds including determining the project to be invested with the proceeds, prioritise and determine specific amount of proceeds to be applied to each project. The shortage of funds will be self-financed by Shenzhen Expressway.

(9) Arrangement of accumulated undistributed profits before the Issuance:

Both new shareholders and existing shareholders are entitled to the accumulated undistributed profits of Shenzhen Expressway before the Issuance according to their respective shareholdings.

(10) Validity of the resolutions:

The resolutions in relation to the Issuance shall remain valid for twelve (12) months from the date on which relevant resolutions are considered and approved by the EGM and the Class meetings of Shenzhen Expressway.

- (11) Conditions precedent of the Issuance of A Shares to Specific Targets: Completion of the Issuance of A Shares to Specific Targets is conditional upon satisfaction of the following conditions: (1) the relevant resolutions have been passed at the EGM and the Class meetings of Shenzhen Expressway; (2) the relevant resolution(s) has/have been passed at the SGM of Shenzhen International; and (3) the entity(ies) responsible supervising and managing State-owned assets of Shenzhen Expressway having granted its approval, the Shanghai Stock Exchange having passed its review, and the CSRC having provided its consent for the relevant registration.
- (12) Principal terms of the underwriting and sponsor arrangement: Shenzhen Expressway has appointed CITIC Securities Co., Ltd. (“**CITIC Securities**”) as the sponsor and lead underwriter for the Issuance. The principal terms of the underwriting and sponsor agreement to be entered into between Shenzhen Expressway and CITIC Securities are as follows:
- (1) Major rights and obligations of Shenzhen Expressway*  
CITIC Securities will provide its underwriting and sponsor services to Shenzhen Expressway, Shenzhen Expressway should fully cooperate with CITIC Securities on its due diligence work; ensure the authenticity, accuracy, and completeness of information disclose to CITIC Securities; provide authentic, accurate, and complete financial accounting materials and other materials to CITIC Securities in a timely manner; and pay the underwriting and sponsor fees; and cooperate with CITIC Securities in its continuous supervision.
- (2) Major rights and obligations of CITIC Securities*  
CITIC Securities will be responsible for recommending the Issuance by Shenzhen Expressway and the listing of A Shares to be issued to the Shanghai Stock Exchange and the CSRC; issue the sponsor letter and listing sponsor letter and other documents in relation to the Issuance; and appoint 2 sponsor representatives to be responsible for the sponsor work; assist Shenzhen Expressway in formulating the proposal and organising works in relation to the Issuance; complete the underwriting work; assist Shenzhen Expressway in the application for the Issuance and listing. It has the right to conduct due diligence and carry out prudent inspection on Shenzhen Expressway, its subsidiaries, affiliated institutions, controlling shareholders, directors, supervisors and senior management, and to conduct further visits to Shenzhen Expressway and inspect materials.

## 2. A Share Subscription Agreement

According to the proposal for the Issuance of A Shares to Specific Targets, on 14 July 2023, XTC Company and Shenzhen Expressway entered into the A Share Subscription Agreement, pursuant to which, Shenzhen Expressway conditionally agreed to issue to XTC Company, and XTC Company conditionally agreed to subscribe for A Shares in the total amount of no more than RMB1.51 billion pursuant to the final issue price of the Issuance. Upon completion of the Issuance, Shenzhen International will hold no less than 45% (inclusive) of the total issued shares of Shenzhen Expressway through its wholly-owned subsidiaries. Shenzhen International expects to finance the subscription price by its internal resources.

The principal terms of the A Share Subscription Agreement are identical to the terms of the proposal for the Issuance of A Shares to Specific Targets disclosed above. Other principal terms of the A Share Subscription Agreement are as follows:

- (1) Parties: (i) Shenzhen Expressway (as issuer); and  
(ii) XTC Company, a wholly-owned subsidiary of Shenzhen International (as subscriber).
- (2) Date: 14 July 2023
- (3) Subscription Price and Payment: The subscription price and pricing principles are consistent with the final issue price and pricing principles for the Issuance of A Shares to Specific Targets as described above.

XTC Company will not participate in the price bidding process, and will accept the price bidding results and subscribe the A Shares of the Issuance at the same issue price as other Specific Targets.

If there is no quotation for the Issuance or the final issue price cannot be determined through bidding, XTC Company will not participate in the subscription of the A Shares under the Issuance.

Upon receipt of the payment notice for the subscription, XTC Company shall promptly pay the full amount to the designated bank account.

- (4) Lock-up Period: The shares subscribed by XTC Company under the Issuance are refrained from being transferred for a period of eighteen (18) months from the completion date of the Issuance. If relevant laws, regulations and regulatory documents have other regulations on the lock-up periods for the shares to be issued under the Issuance of A Shares to Specific Targets, such regulations shall be followed. During the period from the completion date of the Issuance until the lock-up release date of such shares, any extra shares derived from events such as the grant of bonus shares, conversion of capital reserve into share

capital, etc. by Shenzhen Expressway for the shares subscribed by XTC Company under the Issuance shall also subject to the above lock-up arrangement.

(5) Number of A Shares to be subscribed for:

XTC Company shall subscribe the A Shares to be issued under the Issuance in the amount of not more than RMB1.51 billion. The number of A Shares to be subscribed is calculated by dividing the total subscription amount by the final issue price of the Issuance and rounded down to the nearest integer.

The final number of A Shares to be issued is subject to adjustment in the manner as set forth in the paragraph “(5) Number of A Shares to be issued” under the section headed “1. Proposal for the Issuance of A Shares to Specific Targets” above.

Upon completion of the Issuance, Shenzhen International will hold no less than 45% (inclusive) of the total issued shares of Shenzhen Expressway through its wholly-owned subsidiaries,

(6) Conditions precedent:

The A Share Subscription Agreement will become effective after having been executed and sealed by the legal representative or authorised representative of the parties and satisfaction of all the following conditions:

1. the A Share Subscription Agreement, the Issuance, the XTC Company A Share Subscription and all related matters have been approved by/at the board of directors of Shenzhen Expressway, the EGM and the Class Meetings (if required) and the board of directors and general meeting (if required) of the controlling shareholder of Shenzhen Expressway (i.e. Shenzhen International);
2. the Issuance, the XTC Company A Share Subscription and the related matters have been approved by the entity(ies) supervising and managing State-owned assets in accordance with the requirements of the laws and regulations; and
3. the CSRC has provided its consent for registration in respect of the Issuance.

### 3. EFFECT OF ISSUANCE OF A SHARES TO SPECIFIC TARGETS ON THE SHAREHOLDING STRUCTURE OF SHENZHEN EXPRESSWAY

As at the date of this joint announcement, the total number of shares of Shenzhen Expressway in issue was 2,180,770,326 shares, comprising 1,433,270,326 A Shares and 747,500,000 H Shares.

Assuming that (1) there is no other change in the number of shares in issue of Shenzhen Expressway from the date of this joint announcement to the completion of the Issuance of A Shares to Specific Targets; (2) the number of A Shares issued to the Specific Targets is the maximum number of shares proposed to be issued under the Issuance of A Shares to Specific Targets, i.e. 654,231,097 shares (inclusive); (3) Upon the completion of the Issuance, the percentage of the total number of shares of Shenzhen Expressway held by Shenzhen International through its wholly-owned subsidiaries will be diluted to 45% of the total number of issued shares of Shenzhen Expressway.

The shareholding structure of Shenzhen Expressway as at the date of this joint announcement and immediately after completion of the Issuance of A Shares to Specific Targets is set out below:

	As at the date of this joint announcement		Immediately after completion of the Issuance of A Shares to Specific Targets	
	Number of shares	Approximate percentage of the total number of shares of Shenzhen Expressway in issue	Number of shares	Approximate percentage of the total number of shares of Shenzhen Expressway in issue
<b>A Shares</b>				
Shenzhen International (Note)	1,066,239,887	48.89%	1,217,633,111	42.95%
other Specific Targets (not more than 34)	-	-	502,837,873	17.74%
other A Shareholders	367,030,439	16.83%	367,030,439	12.95%
<b>Sub-total of A Shares</b>	<u>1,433,270,326</u>	<u>65.72%</u>	<u>2,087,501,423</u>	<u>73.63%</u>
<b>H Shares</b>				
Shenzhen International (Note)	58,194,000	2.67%	58,194,000	2.05%
other H Shareholders	689,306,000	31.61%	689,306,000	24.31%
<b>Sub-total of H Shares</b>	<u>747,500,000</u>	<u>34.28%</u>	<u>747,500,000</u>	<u>26.37%</u>
<b>Total</b>	<u>2,180,770,326</u>	<u>100%</u>	<u>2,835,001,423</u>	<u>100%</u>

Note: As at the date of this joint announcement, (1) 654,780,000 A Shares were directly held by XTC Company as beneficial owner; (2) 411,459,887 A Shares were directly held by Shenzhen Shen Guang Hui Highway Development Company Limited as beneficial owner; and (3) 58,194,000 H Shares were directly held by Advance Great Limited as beneficial owner. All these companies are wholly-owned subsidiaries of Shenzhen International, therefore Shenzhen International indirectly owns approximately 51.56% interests of Shenzhen Expressway.

Upon completion of the Issuance, Shenzhen Expressway expects that it will continue to be able to comply with the requirement of minimum public float under Rules 8.08 and 13.32 of the Listing Rules.

In addition, the Issuance will reduce the percentage of Shenzhen International's shareholding in Shenzhen Expressway and constitute a deemed disposal of Shenzhen International's equity interest in Shenzhen Expressway. For details, please refer to the paragraph headed "6. Listing Rules Implications - Shenzhen International" below.

#### 4. FINANCIAL INFORMATION OF SHENZHEN EXPRESSWAY

The net profits attributable to equity holders of Shenzhen Expressway for the two financial years before the Deemed Disposal (as prepared in accordance with Hong Kong Financial Reporting Standards) are as follows:

	For the year ended on 31 December 2022 (audited) approximately RMB'000	For the year ended on 31 December 2021 (audited) approximately RMB'000
Profit before tax	2,484,525	3,357,104
Profit after tax	1,952,855	2,805,955

As at 31 December 2022, the audited consolidated total assets and net assets of Shenzhen Expressway were RMB69,201,468,263.76 and RMB27,360,907,949.78, respectively.

#### 5. FINANCIAL EFFECTS OF THE DEEMED DISPOSAL TO SHENZHEN INTERNATIONAL

Upon completion of the Issuance, the percentage of Shenzhen International's shareholding in Shenzhen Expressway through its wholly-owned subsidiaries will be reduced from currently 51.56% to not less than 45%. As Shenzhen International is expected to continue to have control over Shenzhen Expressway in accordance with the existing Hong Kong Financial Reporting Standards, Shenzhen Expressway will continue to be accounted for as a subsidiary in the accounts of Shenzhen International and its financial results will continue to be consolidated into the financial statements of Shenzhen International. The Issuance will not have material impact on Shenzhen International's interest in and control over Shenzhen Expressway.

Upon completion of the Deemed Disposal, it is expected that the net asset value of Shenzhen International will increase by approximately RMB5 billion pursuant to the Issuance and no gains or losses of the Deemed Disposal will be recognised in the comprehensive income statement of Shenzhen International.

#### 6. LISTING RULES IMPLICATIONS

##### *Shenzhen International*

In respect of Shenzhen International, XTC Company's entering into the A Share Subscription Agreement with Shenzhen Expressway constitutes a transaction for Shenzhen International under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) exceed 5% but are less than 25%, the entering into the A Share Subscription Agreement constitutes a discloseable transaction of Shenzhen International and is therefore subject to the reporting and announcement requirements but is exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

In addition, as the Issuance will result in a reduction in Shenzhen International's shareholding in Shenzhen Expressway, such reduction will be deemed as a disposal of Shenzhen International's equity interests in Shenzhen Expressway under Rule 14.29 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Deemed Disposal exceed 25% but are less

than 75%, the Deemed Disposal constitutes a major transaction of Shenzhen International and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### ***Shenzhen Expressway***

Upon Shenzhen Expressway having obtained the specific mandate from the EGM and Class Meetings, it will issue new A Shares pursuant to the proposal of the Issuance of A Shares to Specific Targets. Pursuant to Chapter 19A of the Listing Rules and its articles of association, Shenzhen Expressway will seek for the specific mandate and approval for the Issuance from its Independent Shareholders by way of special resolutions. Thereafter, it will proceed with the Issuance of A Shares to Specific Targets.

As at the date of this joint announcement, Shenzhen International indirectly holds 1,066,239,887 A Shares and 58,194,000 H Shares, representing approximately 51.56% of the issued shares of Shenzhen Expressway, and is the controlling shareholder of Shenzhen Expressway. Hence, Shenzhen International and its associates are connected persons of Shenzhen Expressway, and the XTC Company A Share Subscription constitutes a connected transaction of Shenzhen Expressway and is subject to the announcement, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising the independent non-executive directors has been formed to advise the Independent Shareholders of Shenzhen Expressway on the terms of the XTC Company A Share Subscription. Lego has been appointed as the Independent Financial Adviser of Shenzhen Expressway to advise the Independent Board Committee and the Independent Shareholders on the above matters.

## **7. REASONS FOR AND BENEFITS OF THE ISSUANCE OF A SHARES TO SPECIFIC TARGETS**

### ***Reinforcing the advantages of toll highways as a principal business***

Being dedicated to the transport infrastructure industry for over 20 years, Shenzhen Expressway has accumulated extensive experience in areas such as highway investment, construction, operation and management. Up to currently, Shenzhen Expressway invested and operated in a total of 16 toll highway projects. The mileage of the high-grade highways invested or operated by Shenzhen Expressway (on equity basis) is approximately 643 km. They are mainly located in Shenzhen and the Guangdong-Hong Kong-Macao Greater Bay Area and economically developed regions with favourable geographical advantages.

The proceeds from the Issuance will be used mainly for the construction of Outer Ring Phase III. The Outer Ring Expressway (Shenzhen Section) is the densified line of the skeleton of the "12 vertical, 8 horizontal and 2 rings" expressway network in Guangdong Province, and an important component of the "8 horizontal and 13 vertical" trunk road network in Shenzhen. It is an important transportation infrastructure in the Guangdong-Hong Kong-Macao Greater Bay Area. The Outer Ring Expressway (Shenzhen Section) has obvious advantages in terms of road network. After completion of the Outer Ring Expressway (Shenzhen Section), it will be interconnected with 10 expressways and 8 first-class highways in Shenzhen region, making it a high-quality core asset of Shenzhen Expressway. Since the opening to traffic of Outer Ring Phase I and Outer Ring Phase II,

they have performed well in terms of operational performance, with rapid growth in traffic volume and toll revenue, and contributed approximately 10% and 15% to the revenue and profit (before interest and tax) of Shenzhen Expressway in 2022, which is an important cornerstone for the sustainable development of Shenzhen Expressway. Outer Ring Phase III passes through Pingshan District and Dapeng New District, and improving the infrastructure in these areas is in line with the government-led strategies of the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen-Dongguan-Huizhou Integration, etc. The estimated total investment of Outer Ring Phase III is RMB8.447 billion, and Shenzhen Expressway intends to apply RMB4.6 billion of the proceed to invest in Outer Ring Phase III. Upon completion of Outer Ring Phase III, all the phases of Outer Ring Expressway (Shenzhen Section) will be completed and connected, which will bring about the overall benefits of the project on the one hand, and bring traffic flow to the other expressways of the Shenzhen Expressway Group by improving the layout of the road network on the other hand. Based on preliminary calculations, assuming that the Guangdong Provincial Government approves a 25-year concession period for the Outer Ring Project, the financial internal rate of return (after tax) on the entire Outer Ring Project will be approximately 6.76%, which is generally better than the average return rate of those expressways which were newly-built or renovated and expanded by other PRC listed companies in recent years. The Outer Ring Project is a rare high-quality toll highway project. Investing in Outer Ring Phase III is conducive for obtaining the best and overall economic and social benefits of the Outer Ring Project, which is in the best interests of Shenzhen Expressway and its shareholders. Based on the geographical advantages, significant contributions and ideal returns of the Outer Ring Project, the board of directors of Shenzhen Expressway believe the Outer Ring Project has important strategic significance for the sustainable development of Shenzhen Expressway. Completion of the construction of Outer Ring Phase III can expand the scale of Shenzhen Expressway's high-quality highway assets, enhance the future development of Shenzhen Expressway's toll highway business and further consolidate Shenzhen Expressway's core advantages in the investment, construction and operation of toll highways.

### ***Improving capital structure and enhancing long-term shareholders' returns***

As the business of Shenzhen Expressway is capital-intensive, capital is an important foundation for its sustainable development. The use of external financing by Shenzhen Expressway to promote the development of its core business and new growth businesses is of great significance in enhancing the overall strength of the enterprise and achieving higher returns to shareholders. Shenzhen Expressway intends to raise funds for investment in the toll highway as a principal business and repayment of interest-bearing liabilities through the Issuance. The directors of Shenzhen Expressway are of the view that the Issuance will be beneficial to Shenzhen Expressway in further enhancing its capital strength, optimising its capital structure, reducing its financial costs, strengthening its anti-risk capability and competitiveness, further expanding Shenzhen Expressway's future investment and financing scope, supporting its future business development and enhancing its sustainable profitability and market competitiveness, which is in line with the long-term development strategy of Shenzhen Expressway and in the interests of Shenzhen Expressway and all of its shareholders.

In January 2022, the State Council issued the “14th Five-Year Plan for the Development of Modern Comprehensive Transportation System” (《「十四五」現代綜合交通運輸體系發展規劃》), which provides the top-level design and systematic planning for the construction of a modern comprehensive transportation system during the 14th Five-Year Plan period. For the toll road and transportation industry, the structural functions of the road network will be improved, the quality of the national expressway network will be upgraded, the capacity of busy and congested sections of the national expressway will be expanded and renovated, and the construction of parallel lines, liaison lines and sections to be connected will be accelerated. By 2025, the mileage of the PRC’s expressways will reach 190,000 km. In terms of regional development, the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen pilot demonstration area for socialism with Chinese characteristics will bring significant opportunities for the development of the Greater Bay Area. The Shenzhen Expressway Group will respond to the strategic layout of the country's regional and industry development to serve the community and realise its own development.

As at the date of this joint announcement, the capital expenditure of the Shenzhen Expressway Group approved by its board of directors mainly includes expenditure on construction projects such as Outer Ring Phase III and Coastal Phase II, as well as expenditure on equity investment such as mergers and acquisitions of highways and general-environmental protection projects, with a total amount of approximately RMB14.484 billion. In addition, the Shenzhen Expressway Group is also in the course of commencing the preliminary work for the reconstruction and expansion of Jihe Expressway and GS Expressway. Both the reconstruction and expansion of Jihe Expressway and GS Expressway have been included in the 14th Five-Year Plan for the development of the comprehensive transportation system of Guangdong Province and the construction thereof is expected to commence in near future. The aforesaid capital expenditure will continue to replenish the quality highway assets of the Shenzhen Expressway Group and effectively extend the combined concession period of the toll highway assets of Shenzhen Expressway, thereby laying a solid foundation for sustainable development of Shenzhen Expressway, and at the same time, the Shenzhen Expressway Group is required to raise a substantial amount of capital for this purpose.

The H Shares of Shenzhen Expressway were listed in 1997. Since the listing of A Shares of Shenzhen Expressway in 2001, except for the increase of 70,326 ordinary shares through the exercise of a small amount of conversion option attached to convertible bonds in 2009, its share capital has not been increased. Since 2017, in every annual general meeting, shareholders of Shenzhen Expressway have granted the general mandate to the board of directors to issue shares or issue A Share convertible bonds and H Shares. Having comprehensively considered various factors, Shenzhen Expressway did not issue any shares under the general mandate and terminated the issuance of A Share convertible bonds and H Shares successively. Since Shenzhen Expressway mainly relied on debt financing to raise funds in the past, its debt level has been rising. As at 31 December 2022, Shenzhen Expressway’s total asset-liability ratio (calculated by total liabilities divided by total assets) was approximately 60.46% (while the average ratio of listed companies in the same industry is approximately 46%), and the net asset interest-bearing debt ratio (calculated by total interest-bearing liabilities divided by total equity of shareholders) was approximately 122%. If Shenzhen Expressway continues to rely solely on debt financing to raise funds, the level of debt of Shenzhen Expressway is expected to rise further in the future. The ever-rising level of debt would lead to an increase in the cost of debt financing and increase the difficulty in financing, which may force Shenzhen Expressway to forgo investment opportunities of high-quality projects

and miss the development opportunity in the industry, which is not in the long-term interests of Shenzhen Expressway and its shareholders. On the other hand, Shenzhen Expressway intends to use no more than RMB1.9 billion of the proceeds from the Issuance to repay its interest-bearing liabilities, which will further improve its financial structure, reduce financial risks and enhance its overall anti-risk capability, thereby providing strong protection for its subsequent development. Based on the reasons stated above, the board of directors of Shenzhen Expressway believes that in addition to debt financing, Shenzhen Expressway needs to raise funds through equity financing at this stage to promote a better development of Shenzhen Expressway.

Shenzhen Expressway has always been pursuing to providing returns to its shareholders and has been distributing cash dividends for 26 consecutive years since its listing, with an accumulated cash dividend of approximately RMB13.2 billion. In the past 10 years, the dividend payout ratio has remained stable at 41%-56%. According to the Shareholders' Return Proposal for 2021-2023 approved by the general meeting of Shenzhen Expressway, if the conditions for cash dividend distribution are satisfied, Shenzhen Expressway would endeavor to increase the proportion of cash dividend in 2021-2023. Besides, the profit intended for cash dividend will not be less than 55% of the net profits attributable to owners of the parent company in the consolidated financial statements for the same year, net of distribution payable to the holders of other equity instruments such as perpetual bonds (if any), provided that the financial and cash position of Shenzhen Expressway is sound and there is no substantial investment plan or cash expenditure. Shenzhen Expressway will continue to maintain a stable dividend policy after completion of the implementation of the Shareholders' Return Proposal for 2021-2023.

Although the Issuance will have a potential dilutive effect on the shareholding of the existing shareholders (including minority shareholders) of Shenzhen Expressway, considering it will provide long-term capital and strengthen the investment and financing capability of Shenzhen Expressway, the Outer Ring Project (where the proceeds will be invested) is a rare high-quality toll highway asset, and Shenzhen Expressway's long-standing and stable dividend policy will benefit all its shareholders (including its existing shareholders), Shenzhen Expressway believes the benefits of the Issuance will outweigh the potential dilutive impact on the shareholding of its existing shareholders. Shenzhen International's subscription for A Shares of not more than RMB1.51 billion through XTC Company which will maintain its controlling interest of not less than 45% demonstrates its good expectation of the future of Shenzhen Expressway and its support for the long-term development of Shenzhen Expressway.

In light of the above, the board of directors of Shenzhen Expressway is of the view that the Issuance is in line with the long-term development strategy and the actual situation of Shenzhen Expressway, and the use of the proceeds is in line with the relevant national policies and the overall future development direction of Shenzhen Expressway, which is conducive to optimising the capital structure of Shenzhen Expressway, reducing financial costs, enhancing sustainable profitability, further expanding the scope of investment and financing of Shenzhen Expressway in the future and enhancing the core competitiveness of its principal business.

Since Mr. Dai Jing Ming is a director of both Shenzhen International and Shenzhen Expressway, he has abstained from voting on the relevant resolutions in connection with the Issuance and the XTC Company A Shares Subscription in the board meeting of Shenzhen Expressway. Save for Mr. Dai Jing Ming, none of the directors of Shenzhen

Expressway has material interest in the Issuance or the XTC Company A Shares Subscription and is required to abstain from voting in the relevant board meeting.

In respect of the XTC Company A Share Subscription, the board of directors of Shenzhen Expressway (excluding Mr. Dai Jing Ming and the Independent Board Committee) is of the view that the terms of the A Shares Subscription Agreement are on normal commercial terms, fair and reasonable and in the interest of Shenzhen Expressway and its shareholders as a whole after having considered the reasons above.

In addition, the board of directors of Shenzhen International is of the view that by applying the proceeds from the Issuance of A Shares to Specific Targets in the investment of the Outer Ring Project and repayment of the interest-bearing liabilities, Shenzhen Expressway will promote the development of its principal business, optimise its debt structure and strengthen its creditworthiness. By participating in the Issuance, Shenzhen International can maintain its control over Shenzhen Expressway. The directors of Shenzhen International consider that the terms of the Issuance of A Shares to Specific Targets and the A Share Subscription Agreement are on normal commercial terms and are fair and reasonable and in the interests of the shareholders of Shenzhen International as a whole.

## **8. FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

Shenzhen Expressway has not conducted any equity fund raising activities during the twelve months immediately before the date of this joint announcement.

Since the Issuance does not result in a theoretical dilution effect of 25% or more on its own, the theoretical dilution effect of the Issuance is in compliance with the requirements under Rule 7.27B of the Listing Rules.

## **9. GENERAL INFORMATION OF THE PARTIES**

### **Shenzhen Expressway**

Shenzhen Expressway and its subsidiaries are principally engaged in the investment, construction, operation and management of toll highways and general-environmental protection business. At present, the general-environmental protection business mainly include solid waste resource treatment and clean energy power generation.

### **Shenzhen International**

Shenzhen International and its subsidiaries are principally engaged in logistics, toll road, port and general-environmental protection businesses. Shenzhen International perceives the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei areas and major logistics gateway cities as key strategic regions. Through investment, mergers and acquisitions, restructuring and consolidation, it focuses on the investment, construction and operation of logistics infrastructure in the four major areas of “Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure” (including inland ports, urban integrated logistics parks, air cargo terminals and railway logistics terminals) and toll roads. It provides its customers with value-added logistics services including intelligent warehouse and integrated cold chain warehousing, and also expanded its business segments to include the comprehensive development of land related to the “logistics + commerce” industries as

well as the investment in and operation of general-environmental protection business.

### **XTC Company**

XTC Company is a wholly-owned subsidiary of Shenzhen International and is principally engaged in the business of investment and development of logistics infrastructure.

## **10. EGM AND CLASS MEETINGS OF SHENZHEN EXPRESSWAY**

Shenzhen Expressway will convene the EGM and Class Meetings for its shareholders to consider and, if thought fit, to pass the resolutions in respect of, among others, (1) the resolution for the Issuance of A Shares to Specific Targets under specific mandate (including the authorisation to the board of directors and its authorised person(s) to handle all matters relating to the Issuance and listing); and (2) the resolution for the XTC Company A Share Subscription.

Shenzhen International and its associates, and persons participating in or interested in the Issuance of A Shares to Specific Targets shall abstain from voting on the corresponding resolutions proposed at the EGM and/or the Class Meetings. To the best of knowledge, information and belief of the directors of Shenzhen Expressway, as at the date of this joint announcement, save for Shenzhen International and its associates, none of its shareholders has a material interest in the Issuance or the XTC Company A Share Subscription and is required to abstain from voting on the approval of the relevant resolution(s) at the EGM or the Class Meetings.

A circular containing, among others, (i) details of the Issuance of A Shares to Specific Targets under the specific mandate (including the authorisation to the board of directors and its authorised person(s) to handle all matters relating to the Issuance and listing); (ii) details of the XTC Company A Share Subscription; (iii) a letter from the Independent Board Committee to Independent Shareholders; (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and Independent Shareholders; and (v) notice of EGM and the Class Meetings, is expected to be despatched to the shareholders of Shenzhen Expressway on or before 4 August 2023.

## **11. SGM OF SHENZHEN INTERNATIONAL**

Shenzhen International will convene the SGM for the shareholders to consider and, if thought fit, to pass the resolutions in respect of, the Issuance (and the Deemed Disposal derived therefrom). A circular containing, among others, (i) details of the Issuance (and the Deemed Disposal derived therefrom); (ii) notice of the Shenzhen International's SGM; and (iii) other information required by the Listing Rules is expected to be despatched to the shareholders of Shenzhen International on or before 4 August 2023.

**The implementation of the Issuance of A Shares to Specific Targets and the A Share Subscription Agreement are subject to satisfaction of certain conditions. As such, the Issuance of A Shares to Specific Targets and the A Share Subscription Agreement may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of Shenzhen International and Shenzhen Expressway.**

## DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions have the following meanings:

“ACM”	the class meeting of the A Shareholders to be convened by Shenzhen Expressway to consider and, if thought fit, approve, among other things, the Issuance of A Shares to Specific Targets (including authorisation arrangements) through special authorisation and XTC Company A Share Subscription
“A Share(s)”	the ordinary shares issued by Shenzhen Expressway, with a par value of RMB1.00 each, which are listed on the Shanghai Stock Exchange
“A Share Subscription Agreement”	the share subscription agreement dated 14 July 2023 entered into between Shenzhen Expressway and XTC Company in relation to the XTC Company A Share Subscription
“A Shareholders”	holders of A Shares
“associates”	has the meaning ascribed thereto under the Listing Rules
“Class Meetings”	the ACM and the HCM
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder”	has the meaning ascribed thereto under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Deemed Disposal”	the Issuance will reduce the percentage of Shenzhen International’s shareholding in Shenzhen Expressway and will constitute a deemed disposal of Shenzhen International’s shareholding in Shenzhen Expressway pursuant to Chapter 14 of the Listing Rules.
“EGM”	the extraordinary general meeting of Shenzhen Expressway to be convened to consider and, if thought fit, approve, among other things, the Issuance of A Shares to Specific Targets (including authorisation arrangements) through special authorisation and XTC Company A Share Subscription
“H Share(s)”	overseas-listed foreign shares of Shenzhen Expressway which were issued in Hong Kong and subscribed in HK\$ and are listed on Hong Kong Stock Exchange
“H Shareholders”	holders of the H Shares

“HCM”	the class meeting of the H Shareholders to be convened by Shenzhen Expressway to consider and, if thought fit, approve, among other things, the Issuance of A Shares to Specific Targets (including authorisation arrangements) through special authorisation and XTC Company A Share Subscription
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent board committee comprising all the independent non-executive directors of Shenzhen Expressway
“Independent Financial Adviser” or “Lego”	Lego Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the XTC Company A Share Subscription
“Independent Shareholders”	the shareholders of Shenzhen Expressway, other than the Specific Targets and their associates
“Issuance of A Shares to Specific Targets” or “Issuance”	the proposed issuance of no more than 654,231,097 (inclusive) new A Shares to no more than 35 (inclusive) Specific Targets (including XTC Company) by Shenzhen Expressway at the final issue price under the Issuance with an expected proceeds (before deducting relevant issuance expenses) of no more than RMB6.5 billion
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Outer Ring Expressway (Shenzhen section)” or “Outer Ring Project”	the Shenzhen section of Outer Ring Expressway in Shenzhen with a total length of approximately 77 km and is being implemented in three phases, among which, the 35.58 km from Shajing to Guanlan and the 15.07 km from Longcheng to Pingdi, totaling approximately 51km (referred to as Outer Ring Phase I), opened to traffic on 29 December 2020. The 9.35 km from Pingdi to Kengzi (referred to as Outer Ring Phase II) opened to traffic on 1 January 2022. The 16.8 km from Kengzi to Dapeng (referred to as Outer Ring Phase III) is in the course of undergoing preliminary work
“PRC”	the People’s Republic of China

“Pricing Benchmark Date”	the first day of the issuance period of the Issuance of A Shares to Specific Targets
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of Shenzhen International to be convened to consider and, if thought fit, approve, among other things, the Issuance (including the Deemed Disposal derived therefrom)
“Shenzhen Expressway”	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 Main Board of the Stock Exchange and the A Shares of which are listed on the Shanghai Stock Exchange
“Shenzhen Expressway Group”	Shenzhen Expressway and its subsidiaries
“Shenzhen International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00152)
“Specific Target(s)”	not more than 35 (inclusive) specific investors (including XTC Company), which meet the criteria required by the CSRC, and will subscribe A Shares from Shenzhen Expressway under the Issuance
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Trading Day”	a day on which the Shanghai Stock Exchange is open for dealing or trading in securities
“XTC Company”	Xin Tong Chan Development (Shenzhen) Co., Ltd.* (新通產實業開發(深圳)有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Shenzhen International
“XTC Company A Share Subscription”	the proposed subscription for new A Shares of Shenzhen Expressway by XTC Company pursuant to the A Share Subscription Agreement as part of the Issuance
“%”	per cent

\* For identification purposes only

By Order of the Board  
**Shenzhen International Holdings Limited**  
**Liu Wangxin**  
*Joint Company Secretary*

By Order of the Board  
**Shenzhen Expressway Corporation Limited**  
**Zhao Gui Ping**  
*Joint Company Secretary*

14 July 2023

*As at the date of this joint announcement, the board of directors of Shenzhen International consists of Messrs. Li Haitao, Liu Zhengyu, Wang Peihang and Dr. Dai Jingming as executive directors, Dr. Zhou Zhiwei as non-executive director and Mr. Pan Chaojin, Dr. Zeng Zhi and Dr. Wang Guowen as independent non-executive directors.*

*As at the date of this joint announcement, the directors of Shenzhen Expressway are 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), Mr. LÜ Da Wei (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).*