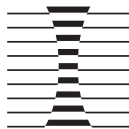
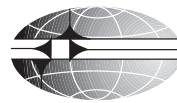


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SHENZHEN INTERNATIONAL HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock Code: 152)



深圳高速公路股份有限公司
SHENZHEN EXPRESSWAY COMPANY LIMITED
*(a joint stock limited company incorporated in
the People's Republic of China with limited liability)*
(Stock Code: 548)

CONNECTED TRANSACTION

JOINT ANNOUNCEMENT

ACQUISITION OF 5% INTEREST IN MEIGUAN COMPANY BY SZ EXPRESSWAY

The directors of SZ International and SZ Expressway are pleased to announce that on 11 December 2006, SZ Expressway as purchaser, entered into the Transfer Agreement with XTC Company as vendor, for the transfer of the 5% Interest (representing 5% shareholding and a shareholder's loan of RMB7,213,894.75 (approximately HK\$7,142,470.05) in Meiguan Company). Pursuant to the Transfer Agreement, SZ Expressway agreed to acquire from XTC Company the 5% Interest and XTC Company agreed to transfer the 5% Interest to SZ Expressway. The total consideration for the 5% Interest is RMB96,000,000 (approximately HK\$95,049,505).

Meiguan Company's sole principal asset is the ownership of Meiguan Expressway, which is a main trunk running from south to north in the central part of Shenzhen City. Meiguan Expressway is one of the major toll highways operated and managed by SZ Expressway.

The consideration was arrived at after arm's length negotiations between XTC Company and SZ Expressway with reference to the Valuation Report issued by an independent valuer. The directors of SZ International and SZ Expressway respectively consider that the consideration of the Transaction is fair and reasonable.

XTC Company, a wholly-owned subsidiary of SZ International, is a promoter and the controlling shareholder of SZ Expressway holding approximately 30.03% of the issued share capital of SZ Expressway as at the date of this announcement. As defined under the Listing Rules, XTC Company is a connected person of SZ Expressway and the Transaction constitutes a connected transaction of SZ Expressway.

Given that the percentage ratios (as defined under the Listing Rules) involved in the Transaction are more than 0.1% but less than 2.5% for SZ Expressway, the Transaction is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirements under Rule 14A.32 of the Listing Rules.

The Transaction does not constitute a notifiable transaction of SZ International under Chapter 14 of the Listing Rules. The directors of SZ International, however, wish to make a voluntary disclosure of the Transaction to inform the shareholders of SZ International of the details of the same.

THE TRANSFER AGREEMENT

Date

11 December 2006

Parties

The Transfer Agreement was entered into by SZ Expressway as purchaser and XTC Company as vendor.

XTC Company, a wholly-owned subsidiary of SZ International, is a promoter and the controlling shareholder of SZ Expressway, holding approximately 30.03% of the issued share capital of SZ Expressway as at the date of this announcement. As defined under the Listing Rules, XTC Company is a connected person of SZ Expressway and the Transaction constitutes a connected transaction of SZ Expressway.

The Transaction

Subject to the terms and conditions of the Transfer Agreement, XTC Company agreed to dispose of and SZ Expressway agreed to purchase the 5% Interest (representing 5% shareholding and a shareholder's loan of RMB7,213,894.75 (approximately HK\$7,142,470.05) in Meiguan Company) together with all rights and benefits attached thereto on or after 1 October 2006.

Consideration and Payment

Pursuant to the Transfer Agreement, the total consideration of the 5% Interest is RMB96,000,000 (approximately HK\$95,049,505) and is payable in cash by SZ Expressway to XTC Company in full within 10 working days from the date of the Transfer Agreement. SZ Expressway intends to fund the consideration by internal resources and bank borrowings.

The consideration of the Transfer Agreement was arrived at after arm's length negotiations between XTC Company and SZ Expressway with reference to the estimated value of the 100% equity interest in Meiguan Company as at 30 September 2006 as set out in the Valuation Report issued by an independent valuer. Pursuant to the Valuation Report, the estimated value of 100% equity interest in Meiguan Company (arrived at using the discounted cash flow method) as at 30 September 2006 is approximately RMB2,210,000,000 (approximately HK\$2,188,118,812). The consideration of the 5% Interest represents 13% discount to the value attributable to the 5% Interest as stipulated in the Valuation Report. The discount is given mainly to account for the minority interest element of the underlying equity interest. XTC Company acquired the 5% Interest in 2001 at a consideration of RMB75,061,566 (approximately HK\$74,318,382). The net book value of the 5% Interest was stated at HK\$50,786,569 in the consolidated financial statements of SZ International as at 30 September 2006.

The directors of SZ International and SZ Expressway respectively consider that the consideration of the Transaction is fair and reasonable.

Major Assumptions of the Valuation Report

In preparing the Valuation Report, the valuer has made the following major assumptions:

General Assumptions

- the net cash flow of Meiguan Company from 1 October 2006 to the end of its operation right is estimated figures which could be achieved through endeavour from the management of Meiguan Company
- all the relevant equipment and facilities will be functional and can meet the need for expected business growth
- all current political regime, laws, constructional and operational technology, financial policies or other economical conditions which materially affect Meiguan Company will not have material changes
- there will not be any continuing blockage (like flooding and extreme weathers) of the expressways
- there are no material constructional defects of the expressways
- all adopted statistics and information are correct and accurate

Principal Assumptions

Estimate for traffic flow

The estimated traffic flow is based on the Traffic Flow Projection Report prepared by an independent traffic consultant (the “Report”). The valuer is of the view that the projection methodology adopted in the Report is acceptable and those parameters are reasonable and the relevant results prepared by the independent traffic consultant are reasonable.

Toll revenue projection

The future toll revenue of the Meiguan Company is estimated by using the average value of the toll fee between the optimistic and conservative proposals assumed in the Report. The traffic consultant assumes that the toll fee will be adjusted within the operating period according to the following:

Toll rate: increases 15% for every 5 years

Toll revenue: increases approximately 3% per annum

As reference is made in the Valuation Report in relation to the projected cash flow and profit of Meiguan Company, the directors of SZ Expressway, having considered the abovementioned major assumptions made by the valuer, confirms that the relevant profit forecast as a whole has been made after due and careful enquiry.

Conditions

The completion of the Transfer Agreement is not subject to any condition precedent.

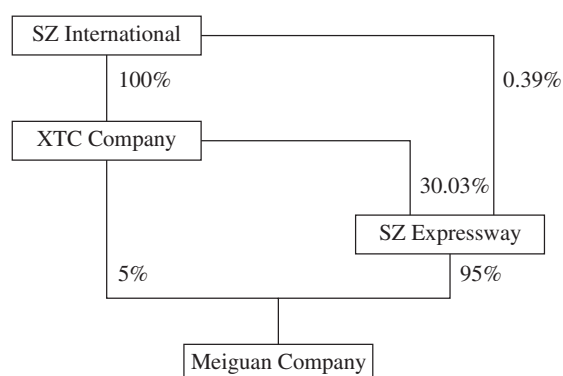
Completion

Completion of the Transfer Agreement will take place when 深圳市產權交易中心 (Shenzhen Enterprise Ownership Exchange Centre) has issued a certification of the Transfer Agreement and the change of registration in relation to the Transfer Agreement with 深圳市工商行政管理局 (Shenzhen Municipal Administration of Industry and Commerce Bureau) is completed.

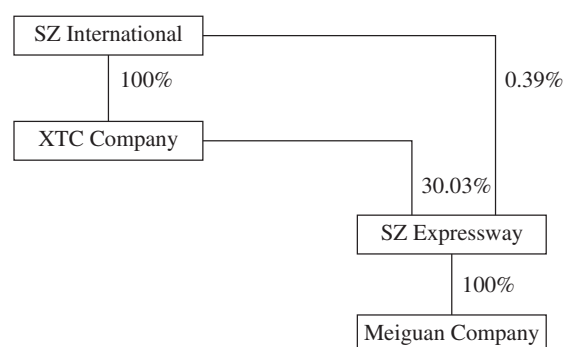
Shareholding Structure of Meiguan Company

The following charts show the simplified shareholding structures of Meiguan Company immediately before and after the completion of the Transaction:

Before the completion:



After the completion:



INFORMATION ON MEIGUAN COMPANY

Meiguan Company was incorporated on 8 March 1994 in the PRC. The registered capital of Meiguan Company is RMB332,400,000 (approximately HK\$329,108,911) which has already been fully paid up. Meiguan Company is principally engaged in the toll collection and management of Meiguan Expressway.

Meiguan Expressway is a main trunk running from south to north in the central part of Shenzhen City measuring 19.3 kilometres. It connects in the south towards Huanggang Immigration and Customs Control, the largest land border checkpoint in Asia, and with Guanshen Expressway (Dongguan-Shenzhen) in the north, whilst Dongguan is known as an important exports processing centre in Guangdong Province. Meiguan Expressway, which intercepts Jihe Expressway located in the middle of Shenzhen City, is the main route for ground transportation between Hong Kong and Mainland China. Meiguan Expressway commenced operation in May 1995 and its operating period expires in March 2027.

The financial information of Meiguan Company prepared in accordance with accounting principles and financial regulations in the PRC are summarized in the below table:

Meiguan Company	For the year ended 31 December	
	2005	2004
	<i>RMB</i>	<i>RMB</i>
audited net profits before tax	224,976,487.04	190,756,232.52
audited net profits after tax	191,748,493.96	162,124,691.49

	As at 31 December	
	2005	2004
	<i>RMB</i>	<i>RMB</i>
audited net assets	461,338,300.82	432,576,026.72

Meiguan Company	For the six months ended 30 June	
	2006	2005
	<i>RMB</i>	<i>RMB</i>
unaudited net profits before tax	120,948,124.20	105,777,354.39
unaudited net profits after tax	102,823,488.22	89,921,189.34

	As at 30 June	
	2006	2005
	<i>RMB</i>	<i>RMB</i>
unaudited net assets	564,161,789.04	522,497,216.06

Note: No extraordinary item was recorded during above-mentioned periods.

REASONS FOR AND BENEFITS OF SZ EXPRESSWAY

As stated in 2005 Annual Report of SZ Expressway, driven by the robust economic growth in China, particularly in the Pearl River Delta and its peripheral regions, traveling for business and personal purposes and cargo transportation continuously create higher demands for traffic capacity and quality, and provide robust impetus to toll highway business.

Since Meiguan Expressway's commencement of operation, it has retained a growth momentum in traffic flow and toll revenue. Due to the economic growth in the peripheral regions, it is expected that Meiguan Expressway will continue to contribute a steady operating profit to SZ Expressway. Upon completion of the Transfer Agreement, SZ Expressway will derive additional profit contributions from Meiguan Company. Meiguan Company will also become a wholly-owned subsidiary of SZ Expressway and this enables SZ Expressway to enhance management efficiency. In addition, SZ Expressway is eligible to

apply for enterprise income tax filing and assessment on a group basis together with Meiguan Company (being its wholly-owned subsidiary). It is expected that SZ Expressway will be able to benefit from the better coordination and administration of its tax filing matters on a group basis, and this will enable the group's tax filings to become more tax effective.

The directors of SZ Expressway consider that entering into of the Transfer Agreement is in line with SZ Expressway's overall strategy in investing in toll highways. The directors of SZ Expressway believe that completion of the Transaction will consolidate the core competitiveness of SZ Expressway in toll highways' investment, construction and management.

The directors of SZ Expressway (including the independent non-executive directors of SZ Expressway) consider that the terms of the Transfer Agreement are fair and reasonable and the Transaction is in the interests of SZ Expressway and the shareholders of SZ Expressway as a whole.

On 8 December 2006, the board of directors of SZ Expressway convened a meeting and approved the Transaction. On the same day of the above-mentioned board meeting to approve the Transaction, the Supervisory Committee of SZ Expressway convened a meeting and reviewed the relevant resolutions and matters.

REASONS FOR AND BENEFITS OF SZ INTERNATIONAL

The directors of SZ International consider that the entering into of the Transfer Agreement enables SZ Expressway to consolidate the entire shareholdings in Meiguan Company to enhance management efficiency and derive additional profits. With the 30.42% shareholdings in SZ Expressway, SZ International will also benefit from such. Moreover, SZ International can take advantage of this opportunity to realize minority and passive investment at a profit before taxation of approximately RMB30 million and apply the proceeds from disposal on other logistics and infrastructure projects with a controlling stake, so as to optimize the development strategy of SZ International.

The directors of SZ International (including the independent non-executive directors of SZ International) consider that the terms of the Transfer Agreement are fair and reasonable and the Transaction is in the interests of SZ International and the shareholders of SZ International as a whole.

INFORMATION ON XTC COMPANY

XTC Company, a wholly-owned subsidiary of SZ International, is a promoter and the controlling shareholder of SZ Expressway holding approximately 30.03% of the issued share capital of SZ Expressway as at the date of this announcement. XTC Company is principally engaged in investment holding.

INFORMATION ON SZ EXPRESSWAY

SZ Expressway is principally engaged in the investment, construction, operation and management of toll highways and roads.

INFORMATION ON SZ INTERNATIONAL

SZ International is an investment holding company. SZ International together with its subsidiaries are principally engaged in the provision of total logistics and transportation ancillary services as well as investment, operation and management of related assets and projects.

GENERAL INFORMATION

XTC Company, a wholly-owned subsidiary of SZ International, is a promoter and the controlling shareholder of SZ Expressway holding approximately 30.03% of the issued share capital of SZ Expressway as at the date of this announcement. As defined under the Listing Rules, XTC Company is a connected person of SZ Expressway and the Transaction constitutes a connected transaction of SZ Expressway.

Given that the percentage ratios (as defined under the Listing Rules) involved in the Transaction are more than 0.1% but less than 2.5% for SZ Expressway, the Transaction is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirements under Rule 14A.32 of the Listing Rules.

The Transaction does not constitute a notifiable transaction of SZ International under Chapter 14 of the Listing Rules. The directors of SZ International, however, wish to make a voluntary disclosure of the Transaction to inform the shareholders of SZ International of the details of the same.

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meiguan Company”	深圳市梅觀高速公路有限公司 (Shenzhen Meiguan Highway Company Limited), a limited liability company incorporated in the PRC
“Meiguan Expressway”	Shenzhen Meiguan Expressway, a main trunk running from south to north in the central part of Shenzhen City measuring 19.3 kilometres
“PRC”	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan;
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“SZ Expressway”	Shenzhen Expressway Company 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
“SZ International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange and XTC Company, the wholly-owned subsidiary of SZ International, is the controlling shareholder of SZ Expressway
“Transaction”	the acquisition of 5% Interest by SZ Expressway from XTC Company contemplated under the Transfer Agreement
“Transfer Agreement”	the agreement entered into between SZ Expressway as purchaser and XTC Company as vendor on 11 December 2006 for the transfer of the 5% Interest
“Valuation Report”	the asset valuation report dated 8 December 2006 issued by Sallmanns (Far East) Limited, an independent valuer in respect of the valuation of the 100% equity interest in Meiguan Company as at 30 September 2006
“XTC Company”	Xin Tong Chan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司), a promoter and the controlling shareholder of SZ Expressway holding approximately 30.03% of the issued share capital of SZ Expressway as at the date of this announcement and a wholly-owned subsidiary of SZ International
“5% Interest”	the 5% shareholding in Meiguan Company owned by XTC Company together with a shareholder’s loan of RMB7,213,894.75 (approximately HK\$7,142,470.05) owed by Meiguan Company to XTC Company

Foreign currency amounts have been converted into Hong Kong dollars for the purpose of this announcement using an exchange rate of HK\$1 = RMB1.01.

By order of the Board
Shenzhen International Holdings Limited
Guo Yuan
Chairman

By order of the Board
Shenzhen Expressway Company Limited
Yang Hai
Chairman

Hong Kong, 11 December 2006

As at the date of this announcement, the board of directors of SZ International consists of Messrs Guo Yuan, Li Jing Qi and Liu Jun as executive directors, Messrs To Chi Keung, Simon and Zhang Hua Qiao as non-executive directors and Messrs Leung Ming Yuen, Simon, Ding Xun and Nip Yun Wing as independent non-executive directors.

As at the date of this announcement, the directors of SZ Expressway are: Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Director and General Manager), Mr. Li Jing Qi (Non-executive Director), Mr. Wang Ji Zhong (Non-executive Director), Mr. Liu Jun (Non-executive Director), Mr. Lin Xiang Ke (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Li Zhi Zheng (Independent non-executive Director), Mr. Zhang Zhi Xue (Independent non-executive Director), Mr. Poon Kai Leung, James (Independent non-executive Director) and Mr. Wong Kam Ling (Independent non-executive Director).

Please also refer to the published version of this announcement in The Standard.