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深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 00548)

**FURTHER ANNOUNCEMENT
MAJOR AND CONNECTED TRANSACTION
ESTABLISHMENT OF PROJECT COMPANY AND
SIGNING RELEVANT AGREEMENT**

Reference is made to the announcement on a major and connected transaction of Shenzhen Expressway Company Limited (the “Company”) dated 8 August 2014 (the “Announcement”) in relation to, among others, the capital contributions by the Company and SZ International (through its wholly-owned subsidiary XTC Company) to establish the Project Company to obtain the land of the Meilin Checkpoint Urban Renewal Project. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meaning as defined in the Announcement.

In late August 2014, XTC Company and the Company established the Project Company in Shenzhen City, Guangdong Province, PRC, namely 深圳市深國際聯合置地有限公司 (Shenzhen SZ International Joint Landmark Company Limited), pursuant to the Framework Agreement. The Company and XTC Company own 49% and 51% equity interests in the Project Company respectively. Pursuant to the Framework Agreement, if the Company could not obtain the Company’s independent shareholders’ approval for the Subsequent Capital Injection, XTC Company shall acquire all the equity interests in the Project Company held by the Company at the amount of capital already contributed by the Company to the Project Company together with an interest thereon at the prevailing bank lending rate.

As disclosed in the Announcement, the Company and SZ International should agree with Longhua Committee that upon obtaining the approval from each competent authority(ies) respectively on the related matters, the Company and SZ International will, through the Project Company, enter into the land transfer agreement in respect of the Meilin Checkpoint Urban Renewal Project (the “Land Transfer Agreement”) with the government and pay the relevant land premium (the “Premium”) of approximately RMB3,567 million (approximately HK\$4,515 million) in accordance with the timetable as stated in the Announcement, and to pay the agreed compensation (if any) in proportion to their respective interests in the Project Company when fail to fulfill the obligation.

The board of directors of the Company hereby announces that, on 10 September 2014 (after trading hours), Longhua Committee, SZ International and the Company (the “Parties”) have entered into a payment agreement (the “Payment Agreement”) in relation to, among others, the timing of signing of the Land Transfer Agreement and the payment of Premium, pursuant to which, the Company and SZ International have agreed (a) to enter into the Land Transfer Agreement with Urban Planning Land and Resources Commission of the Shenzhen Municipality (深圳市規劃和國土資源委員會) and pay the first installment of the Premium in the amount of approximately RMB1,070.01 million (approximately HK\$1,354.44 million, being 30% of the Premium) through the Project Company by 30 June 2015; and (b) pay the balance of the Premium through the Project Company in the amount of RMB2,496.69 million (approximately HK\$ 3,160.37 million, being 70% of the Premium) within 1 year after the Land Transfer Agreement becoming effective. If the Company and SZ International fail to fulfill the aforesaid obligation under the Payment Agreement, the Company and SZ International shall pay the agreed compensation to Longhua Committee in proportion to their respective interests in the Project Company. Such agreed compensation will be the actual damages for breach of contract payable by Longhua Committee pursuant to the terms of the agreement entered into among the Company, Meiguan Company, Transport Commission of Shenzhen Municipality (深圳市交通運輸委員會) and Longhua Committee on 27 January 2014 (details of which are set out in the joint announcement of the Company and SZ International dated 27 January 2014). If for reasons attributable to Longhua Committee or other government departments the approval process of the Meilin Checkpoint Urban Renewal Project is delayed, the deadline for payment of the first installment of the Premium could be correspondingly postponed provided that the Parties agree in writing. The Payment Agreement could be cancelled or terminated as a result of, among others, force majeure event, mutual agreement between the Parties, or termination of the Meilin Checkpoint Urban Renewal Project by the government.

The Payment Agreement will take effect after all relevant approvals, authorisations, consents and permissions are obtained by all the Parties in accordance with applicable laws, rules and regulations.

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.

In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB0.79. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By Order of the Board
Wu Qian
Company Secretary

Shenzhen, PRC, 10 September 2014

As at the date of this announcement, the directors of the Company are Mr. Yang Hai (Chairman of the Board), Mr. Wu Ya De (Executive Director and President), Mr. Li Jing Qi (Non-executive Director), Mr. Zhao Jun Rong (Non-executive Director), Mr. Hu Wei (Non-executive Director), Mr. Tse Yat Hong (Non-executive Director), Ms. Zhang Yang (Non-executive Director), Mr. Chiu Chi Cheong, Clifton (Non-executive Director), Mr. Wang Hai Tao (Independent non-executive Director), Mr. Zhang Li Min (Independent non-executive Director), Mr. Au Sing Kun (Independent non-executive Director) and Mr. Lin Chu Chang (Independent non-executive Director).