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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)

CONNECTED TRANSACTION

RELOCATION COMPENSATION AGREEMENT BY MEIGUAN COMPANY

On 24 June 2015, Meiguan Company (a wholly-owned subsidiary of the Company) entered into Relocation Compensation Agreement with United Land Company, pursuant to which the United Land Company has agreed to pay relocation compensation to Meiguan Company for relocation of Meilin Checkpoint Renewal Land. The amount of relocation compensation will be determined by the Expert Jury on the basis of the valuation report issued by the evaluation institution, China United Assets. Based on the results of the valuation by China United Assets and verification conducted by the Company, the Board expects that the relocation compensation will not exceed RMB30,000,000 (approximately HK\$37,974,684).

LISTING RULES IMPLICATIONS

United Land Company is a subsidiary of SZ International which owns 51% of its equity interests through XTC Company, and as SZ International is the indirect controlling shareholder of the Company which owns 50.889% interests in the Company and XTC Company is the controlling shareholder of the Company which directly owns 30.025% interests in the Company, United Land Company is a connected person of the Company and the Transaction constitutes a connected transaction of the Company within the meaning of the Listing Rules. As the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, pursuant to the Rule 14A.76 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements but is exempted from the circular (including independent financial advice) and the approval by the shareholders of the Company.

Reference is made to the announcement of the Company dated 8 August 2014 in relation to the establishment of the project company, the further announcement dated 10 September 2014 and the circular dated 17 September 2014. Pursuant to the approval by the general meeting and the

agreements of the Framework Agreement, XTC Company (a wholly-owned subsidiary of SZ International) and the Company have made capital contribution and established the project company (United Land Company) to be responsible for the acquisition and relocation of lands under the Meilin Checkpoint Urban Renewal Project as the applying entity and legal entity. The project company is owned as to 51% and 49% by XTC Company and the Company respectively.

As described in the aforesaid announcements and circular, the necessary procedures to acquire the land parcels under the Meilin Checkpoint Urban Renewal Project by the project company are set out below:

- (1) The original owner(s) of the Meilin Checkpoint Renewal Land will demolish and relocate the properties on the land parcels and give up the relevant lands to the government;
- (2) The government and the project company will enter into a land transfer agreement for transfer of the land of Meilin Checkpoint Urban Renewal Project to the project company;
- (3) The project company shall pay the land premium to the government and pay the relocation compensation to the original owner(s) of the Meilin Checkpoint Renewal Land.

Pursuant to the Framework Agreement, the project company will, upon the incorporation, appoint an evaluation institution to access the value of the lands and buildings within Meilin Checkpoint Renewal Land based on the market principles, on which the relocation compensation for the same will be made by the project company. In this regard, Meiguan Company and United Land Company entered into the Relocation Compensation Agreement on 24 June 2015 to facilitate the relocation of the Meilin Checkpoint Renewal Land.

RELOCATION COMPENSATION AGREEMENT

Date:

24 June 2015.

Parties:

- (1) Meiguan Company; and
- (2) United Land Company.

Relocation targets and scope:

The buildings on Meilin Checkpoint Renewal Land, including Meilin Toll Station, part of the office buildings as well as related facilities and structures on the ground, which are owned by Meilin Company.

Amount of the relocation compensation:

The amount of relocation compensation will be determined by the Expert Jury on the basis of the valuation report issued by the evaluation institution, China United Assets.

The market value of the Meilin Toll Station land and the buildings thereon, as well as other related compensation in relation to Meilin Checkpoint Urban Renewal Project as at 31 December 2014 has been estimated at RMB26,985,652 (approximately HK\$34,159,053) by China United Assets. The Expert Jury will conduct a final review on the aforesaid valuation report issued by China United Assets, upon which parties to the Relocation Compensation Agreement will sign a confirmation in respect to the final review, as the basis for the payment of the relocation compensation.

Based on the results of the valuation by China United Assets and the verification conducted by the Company, the Board expects that the relocation compensation will not exceed RMB30,000,000 (approximately HK\$37,974,684). In the event that the relocation compensation exceed RMB30,000,000 (approximately HK\$37,974,684), the Company will comply with the requirements under the Listing Rules.

Arrangement for payment:

United Land Company shall make the lump sum payment of the relocation compensation within 3 months after the date of the confirmation.

VALUATION ON RELOCATION COMPENSATION

Pursuant to the Framework Agreement, United Land Company has engaged China United Assets to carry out a valuation on the market value of assets involved in the Meilin Checkpoint Renewal Land and the relevant compensation. The Company has engaged DZX to review the aforesaid valuation conducted by China United Assets independently and provide an opinion on the review. In addition, in light of the complexity of the relocation, to ensure the objectivity and fairness of the valuation, United Land Company has formulated “Recruitment Measures and Guidelines on Expert Jury” (專家評審團選聘辦法及工作指引) in respect to valuation of relocation compensation in accordance with “Administration Measures on Tender Valuation Expert and the Pool of Tender Valuation Experts” (評標專家和評標專家庫管理辦法) and relevant regulations. United Land Company will engage assets valuation experts and legal professionals selected from the pool of valuation experts of Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會) and other sources to form Expert Jury. The Expert Jury will carry out a final review and confirmation on all the valuations and amounts of compensation involved.

Based on the expectation that the relocation compensation will not exceed RMB30,000,000 (approximately HK\$37,974,684), it is estimated the revenue from the assets disposal will not have a material impact on the Group's financial position and operating results. The relocation compensation will be used for replenishment of the Group's working capital.

REASONS FOR AND BENEFIT OF ENTERING INTO THE TRANSACTION

The entering into Relocation Compensation Agreement by Meiguan Company and United Land Company is the action and arrangement necessary to obtain the right of development for the land parcels in implementing the Meilin Checkpoint Urban Renewal Project made by the Group in accordance with the resolution of the general meeting, which is beneficial to the Group in grasping the opportunities of urban development and renovation, timely realise the commercial value of current resources, and improve the overall corporate performance and shareholders' returns. The directors of the Company consider that the Transaction are in line with the Group's set decisions, long term interest in the future and the development strategy of leverage highway business and actively exploring and attempting for new industry investment formulated by the Company.

The Transaction had been reviewed and approved in a Board meeting of the Company. Mr. HU Wei, Mr. LI Jing Qi, Mr. ZHAO Jun Rong, Mr. TSE Yat Hong and Mr. WANG Zeng Jin, who have positions in SZ International and/or its subsidiaries (excluding the Group) declared their interests as required and abstained from voting on relevant resolution. The resolution was unanimously passed by the remaining directors.

The Board (including the independent non-executive directors of the Company) considers that, the terms under the Relocation Compensation Agreement were reached after arm's length negotiation between both parties, among which the amount of the relocation compensation is valued and reviewed properly by organisation having related valuation qualification and experience, and will be finalised by Expert Jury engaged in accordance with established management practice and norms. The Transaction are on normal commercial terms and in the ordinary and usual course of business of the Group, the terms of the Transaction are fair and reasonable, and in the interests of the Company and the shareholders as a whole.

GENERAL INFORMATION

The Group is principally engaged in the investment, construction, operation and management of toll highways and roads. Meiguan Company is a wholly-owned subsidiary of the Company principally engaged in investment, construction, operation and management of Meiguan Expressway.

United Land Company is the applying entity and legal entity for the Meilin Checkpoint Urban Renewal Project, responsible for related works in acquiring and relocation of the land of Meilin Checkpoint Urban Renewal Project.

LISTING RULES IMPLICATIONS

United Land Company is a subsidiary of SZ International which owns 51% of its equity interests through XTC Company, and as SZ International is the indirect controlling shareholder of the Company which owns 50.889% interests in the Company and XTC Company is the controlling shareholder of the Company which directly owns 30.025% interests in the Company, United Land Company is a connected person of the Company and the Transaction constitutes a

connected transaction of the Company within the meaning of the Listing Rules. As the applicable percentage ratios in respect of the Transaction are more than 0.1% but less than 5%, pursuant to the Rule 14A.76 of the Listing Rules, the Transaction is subject to the reporting and announcement requirements but is exempted from the circular (including independent financial advice) and the approval by the shareholders of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

“Board”	The board of directors of the Company
“China United Assets”	China United Assets Appraisal Group Limited (中聯資產評估集團有限公司), an evaluation institution established in PRC with the certificates for assets valuation
“Company”	Shenzhen Expressway Company Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on HKEx, and the A shares of which are listed on the Shanghai Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“DZX”	DZX International Appraisal Limited (德正信國際資產評估有限公司), an evaluation institution established in PRC with the certificates for assets valuation
“Expert Jury”	A jury comprised of assets valuation experts and legal professionals and engaged by United Land Company in accordance with “Administration Measures on Tender Valuation Expert and the Pool of Tender Valuation Experts” (評標專家和評標專家庫管理辦法) and relevant regulations to carry out a final review on all the valuations involved in the relocation of Meilin Checkpoint Renewal Land, such experts will be selected from the pool of Shenzhen Municipal People's Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會) valuation experts and other sources with established management practice
“Framework Agreement”	the framework agreement on joint venture in establishment of the project company in relation to Meilin Checkpoint Urban Renewal Project(《關於合資成立梅林關城市更新項目公司的框架協議》) entered into by SZ International and the Company on 8 August 2014
“Group”	the Company and its consolidated subsidiaries
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“HKEx”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on HKEx

“Meiguan Company”	Shenzhen Meiguan Expressway Company Limited (深圳市梅觀高速公路有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of the Company
“Meilin Checkpoint Renewal Land”	the western land parcel in Meilin Toll Station owned by Meiguan Company and Huatongyuan Logistic Centre land parcel owned by XTC Company, etc., totaling approximately 131,000 square metres
“Meilin Checkpoint Urban Renewal Project”	the project of intended adjustment in the land use of the Meilin Checkpoint Renewal Land by the Shenzhen government, of which approximately 96,000 square metres will be changed to development and construction land for comprehensive development in accordance with urban renewal policy
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Relocation Compensation Agreement”	the relocation compensation agreement on Meilin Checkpoint Urban Renewal Project of Minzhi Office Longhua New District of Shenzhen(《深圳市龍華新區民治辦事處梅林關城市更新項目拆遷補償協議》) entered into between Meiguan Company and United Land Company on 24 June 2015
“RMB”	Renminbi, the lawful currency of the PRC
“SZ International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on HKEx
“Transaction”	The transaction under the Relocation Compensation Agreement
“United Land Company”	Shenzhen International United Land Co., Ltd (深圳市深國際聯合置地有限公司), a company incorporated in the PRC with limited liability, which is a 51% owned subsidiary of SZ International
“XTC Company”	Xin Tong Chan Development (Shenzhen) Company Limited (新通產實業開發(深圳)有限公司), a company incorporated in the PRC with limited liability, which is a wholly-owned subsidiary of SZ International

Note: 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, 24 June 2015

As at the date of this announcement, the directors of the Company are Mr. HU Wei (Executive Director and Chairman of the Board), Mr. WU Ya De (Executive Director and President), Mr. WANG Zeng Jin (Executive Director), Mr. LI Jing Qi (Non-executive Director), Mr. ZHAO Jun Rong (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. AU Sing Kun (Independent non-executive Director), Mr. LIN Chu Chang (Independent non-executive Director), Mr. HU Chun Yuan (Independent non-executive Director) and Mr. SHI Xian Liang (Independent non-executive Director).