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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)

**JOINT ANNOUNCEMENT  
CONNECTED TRANSACTION  
SUPPLEMENTAL AGREEMENT TO THE  
ENTRUSTED CONSTRUCTION MANAGEMENT AGREEMENT  
IN RELATION TO  
GUANGSHEN COASTAL EXPRESSWAY SHENZHEN SECTION**

References are made to the joint announcements of Shenzhen International Holdings Limited (“Shenzhen International”) and Shenzhen Expressway Company Limited (“Shenzhen Expressway”, a 50.889%-owned subsidiary of Shenzhen International) dated 6 November 2009 and 9 September 2011 (the “Announcement”), respectively, the circular of each of Shenzhen International and Shenzhen Expressway dated 4 October 2011, and the announcement of Shenzhen Expressway dated 19 August 2014. Unless the context otherwise requires, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

**Introduction**

According to the Entrusted Construction Management Agreement (the “Entrusted Construction Management Agreement”) dated 9 September 2011 entered into between Shenzhen Expressway and 深圳市廣深沿江高速公路投資有限公司 (Shenzhen Guangshen Coastal Expressway Investment Company Limited) (the “Project Company”, a wholly-owned subsidiary of 深圳市投資控股有限公司 (Shenzhen Investment Holdings Company Limited), the controlling shareholder of Shenzhen International), the Project Company agreed to entrust Shenzhen Expressway to manage the construction of Coastal Expressway (Shenzhen Section) and Shenzhen Expressway agreed to undertake the management of construction of Coastal Expressway (Shenzhen Section), including but not limited to coordination of preliminary works, management of preliminary design works and construction drawings design and construction management during the preparation period, construction period as well as default liability period (缺陷責任期), etc. The Project Company is responsible for timely payment of construction cost and entrusted construction service fee for the project. The Entrusted Construction Management Agreement and the transactions contemplated thereunder were considered and approved by the independent shareholders of Shenzhen Expressway at its first extraordinary general meeting in 2011 and the independent shareholders of Shenzhen International at its special general meeting held on 25 October 2011.

According to the traffic infrastructure planning formulated by governmental authorities and the progress of the relevant design works, the defined project scope of Coastal Expressway (Shenzhen Section) as at the time of entering into the Entrusted Construction Management Agreement included the construction of the main lanes extending from Dongbao River (東寶河), the boundary between Dongguan and Shenzhen, to Nanshan District, Shenzhen, and connecting with the Hong Kong-Shenzhen Western Corridor in the south, but excluded the airport interchange ramp and other facilities that had not yet been determined. These construction works represented those of Phase I of Coastal Expressway (Shenzhen Section), details of which were disclosed in the Announcement.

Based on the overall planning and design of Coastal Expressway and its surrounding highways, including the Shenzhen-Zhongshan Corridor, as developed and announced recently by the governmental authorities, the scope of Phase II of Coastal Expressway (Shenzhen Section) has been defined, which includes Shenzhen section of the Shenzhen-Zhongshan Corridor, the airport interchange of Guangshen Coastal Expressway and the Shajing interchange. Shenzhen section of the Shenzhen-Zhongshan Corridor and the airport interchange of Guangshen Coastal Expressway serve as vital connection linking Coastal Expressway (Shenzhen Section) with Jihe Expressway, Guangshen Expressway and the Shenzhen airport, extending from starting point of Jihe Expressway to the airport interchange of Guangshen Coastal Expressway, connecting with Phase I of Coastal Expressway (Shenzhen Section) and the Shenzhen-Zhongshan Corridor, with a total length of approximately 5.7 km and main lanes designed to be a dual eight-lane expressway. The Shajing interchange, which is located at the planned Shenzhen Grand Airport New Town (大空港新城) and the boundary of Shajing Subdistrict and Fuyong Subdistrict of Bao'an District, Shenzhen, is a vital linkage providing the planned Grand Airport New Town (大空港新城) and Shajing Subdistrict of Bao'an with access to Guangshen Coastal Expressway.

According to the reply received from Guangdong Development and Reform Commission, investment in Phase II of Coastal Expressway (Shenzhen Section) is estimated to be approximately RMB6,900 million (approximately HK\$8,200 million).

### **Supplemental Agreement to the Entrusted Construction Management Agreement**

Pursuant to the Entrusted Construction Management Agreement, Phase II of Coastal Expressway (Shenzhen Section) (as part of Coastal Expressway (Shenzhen Section)) shall be constructed and managed by Shenzhen Expressway under the entrustment of the Project Company. To further clarify the rights and obligations, the Project Company and Shenzhen Expressway entered into a supplemental agreement to the Entrusted Construction Management Agreement (the "Supplemental Agreement") on 1 June 2016, which sets out further provisions in respect of the scope of the entrusted construction, project management objectives, provisional amount of the entrusted construction service fee and the amount of performance guarantee of Phase II of Coastal Expressway (Shenzhen Section). Matters not covered by the Supplemental Agreement shall be governed by the Entrusted Construction Management Agreement. The principal terms of the Supplemental Agreement are set out as follows:

## **Principal Terms of the Supplemental Agreement**

### ***Scope of the Entrusted Construction Management***

The scope of the entrusted construction management under the Supplemental Agreement includes road understructure and surface, bridge culverts, pavement, tunnels, interchanges, traffic engineering, landscaping and affiliated facilities of Phase II of Coastal Expressway (Shenzhen Section) (the Shenzhen-Zhongshan Corridor, the airport interchange of Guangshen Coastal Expressway and the Shajing interchange), subject to the construction drawings as reviewed and confirmed by competent transportation authorities.

### ***Project Management Objectives***

The construction of Phase II of Coastal Expressway (Shenzhen Section) is planned to be completed by 31 December 2019.

### ***Entrusted Construction Service Fee***

According to the Entrusted Construction Management Agreement, the entrusted construction service fee comprises the entrusted construction management fee and the performance-based bonuses or penalties (if any), of which the entrusted construction management fee shall be 1.5% of the Budgeted Costs.

As the Budgeted Costs for Phase II of Coastal Expressway (Shenzhen Section) is pending to be approved by the Shenzhen Municipal Commission of Development and Reform, the entrusted construction management fee of RMB88 million (approximately HK\$105 million) under the Supplemental Agreement is a provisional sum.

The entrusted construction service fee, which comprises entrusted construction management fee and the performance-based bonuses or penalties (if any), shall be calculated, adjusted, paid and audited in accordance with the Entrusted Construction Management Agreement.

The entrusted construction service fee may be subject to upward or downward adjustment due to factors such as construction works amendment, delays in construction and performance of the Entrusted Construction Management Agreement and the Supplemental Agreement by Shenzhen Expressway. Having taken into account of, among others, the terms of the Entrusted Construction Management Agreement and the Supplemental Agreement and the construction workload of Phase II of Coastal Expressway (Shenzhen Section), the directors of Shenzhen Expressway are of the view that the total entrusted construction service fee for Phase II of Coastal Expressway (Shenzhen Section) will not exceed RMB160 million (approximately HK\$190 million), subject to final audit by the Audit Bureau. If the total entrusted construction service fee for Phase II of Coastal Expressway (Shenzhen Section) is expected to exceed RMB160 million (approximately HK\$190 million), Shenzhen International and Shenzhen Expressway will publish further announcement in accordance with the requirements of the Listing Rules as and when appropriate.

### ***Guarantee of Contractual Performance***

Shenzhen Expressway has provided a guarantee of contractual performance in the amount of RMB100 million (approximately HK\$119 million) in the form of letter of guarantee of contractual performance issued by a bank upon signing of the Supplemental Agreement. The guarantee will expire after 10 working days after the delivery and inspection of Phase II of Coastal Expressway (Shenzhen Section).

### **CONSIDERATION AND APPROVAL OF THE SUPPLEMENTAL AGREEMENT BY SHENZHEN EXPRESSWAY**

On 19 May 2016, a meeting of the board of directors of Shenzhen Expressway was held to consider and approve the resolution in relation to the Supplemental Agreement. Mr. Hu Wei, Mr. Li Jing Qi, Mr. Zhao Jun Rong and Mr. Tse Yat Hong, all being the directors of Shenzhen Expressway who hold positions in Shenzhen International and/or its subsidiaries other than Shenzhen Expressway, have declared their interests pursuant to relevant regulations and abstained from voting on the resolution in relation to the Supplemental Agreement. The resolution was unanimously passed by the remaining directors. In accordance with the regulatory requirements of the China Securities Regulatory Commission, the independent non-executive directors of Shenzhen Expressway agreed to bringing the proposed resolution in relation to the Supplemental Agreement to the board of directors for discussions prior to the meeting, and expressed their opinions as to the procedural compliance and fairness of the Supplemental Agreement at the board meeting.

*Note:*

*In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB0.84=HK\$1.00 for illustration purpose only. No representation is made to the effect that any amount in RMB or HK\$ has been, could have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board  
**Shenzhen International Holdings Limited**  
**Gao Lei**  
*Chairman*

By Order of the Board  
**Shenzhen Expressway Company Limited**  
**Hu Wei**  
*Chairman*

Shenzhen, PRC, 1 June 2016

*As at the date of this announcement, the board of directors of Shenzhen International consists of Messrs. Gao Lei, Li Jing Qi, Zhong Shan Qun, Liu Jun and Li Lu Ning as executive directors, Dr. Yim Fung, JP as non-executive director 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 Shenzhen Expressway 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. 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).*