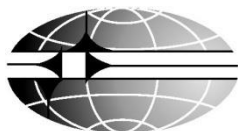


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深圳高速公路股份有限公司

SHENZHEN EXPRESSWAY COMPANY LIMITED

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

(Stock Code: 00548)

**DISCLOSEABLE TRANSACTION
INVESTMENT COOPERATION IN RELATION TO DUOHUA PROJECT**

INVESTMENT COOPERATION AGREEMENT

The Board is pleased to announce that on 29 March 2018, Longli Government, Guilong Industry and Guishen Company, a subsidiary indirectly owned as to 70% by the Company, entered into the Investment Cooperation Agreement. Pursuant to the Investment Cooperation Agreement, Guishen Company shall be responsible for the financing and construction work of Duohua Project. The estimated budget of the construction work of Duohua Project is approximately RMB900 million (approximately HK\$1,125 million), and Guishen Company shall be responsible for financing such funds for the construction while Guilong Industry shall pay the project fee to Guishen Company pursuant to the Investment Cooperation Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT

The Company principally engages in the investment, construction, operation and management of toll highways and roads, as well as other urban and transportation infrastructure facilities, and construction management is one of the important and core business capabilities of the Company. By entering into the Investment Cooperation Agreement, the Group may further develop its road construction and related businesses, strengthen and enhance its advantages in the above said core business, and further enhance the Group's overall profitability, which is in line with the Group's overall development strategy.

The Board considers that Investment Cooperation Agreement was entered into on normal commercial terms after arm's length negotiation, and the terms of the Investment Cooperation Agreement are fair and reasonable and the transaction contemplated under the Investment Cooperation Agreement is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Since the applicable percentage ratios of the transaction contemplated under the Investment Cooperation Agreement are above 5% but less than 25%, the entering of the Investment Cooperation Agreement is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 29 March 2018, Longli Government, Guilong Industry and Guishen Company, a subsidiary indirectly owned as to 70% by the Company, entered into the Investment Cooperation Agreement. The principal terms of the Investment Cooperation Agreement are as follows:

Investment Cooperation Agreement

Date : 29 March 2018

Parties: (1) Longli Government;
(2) Guilong Industry; and
(3) Guishen Company.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Longli Government, Guilong Industry and their respective ultimate beneficial owner is a third party independent of the Company and its connected persons.

Subject matter of Duohua Project:

The construction work of Duohua Project includes but not limited to, the construction of substructure, pavements, retaining walls, slope protection, municipal pipe networks, affiliated facilities along the road, related ancillary works, and other temporary facilities required for Duohua Bridge and the roads on both ends of the bridge. The scope of construction work of the project is subject to the approval of relevant competent authority.

The estimated budget of the construction work of Duohua Project is approximately RMB900 million (approximately HK\$1,125 million), and Guishen Company shall be responsible for financing such funds for the construction while Guilong Industry shall pay the project fee to Guishen Company pursuant to the Investment Cooperation Agreement.

Responsibilities of each party:

Pursuant to the Investment Cooperation Agreement:

- (i) Guishen Company shall be responsible for the investment, financing, design entrustment and management of, and construction management of Duohua Project. It shall responsible for the management and control of Duohua Project, such as progress, quality, cost and safety. Guishen Company will choose

qualified construction entities through public tender pursuant to relevant laws and regulations, and enter into construction agreements with such entities to carry out the work. After Duohua Project was completed and the examined, the Guishen Company will transfer the project to Guilong Industry. It is expected that amount needed to be invested by Guishen Company in Duohua Project will be approximately RMB 900 million, such amount is expected to be funded by the Group's internal resources and/or borrowings.

- (ii) Guilong Industry shall be responsible for obtaining the first-level development rights of the land as specified under the Investment Cooperation Agreement (such land is located near the Interlaken Town Project of the Company), and shall apply the revenue generated from the said first-level development rights for settling the fee of Duohua Project. Guilong Industry shall also responsible for handling part of the necessary approval procedures and obtaining other related administrative licenses for the project, the compensation and relevant work for demolition and resettlement, and settle all fees payable to Guishen Company in Duohua Project.
- (iii) Longli Government has granted Guilong Industry with the first-level development rights of the land as specified under the Investment Cooperation Agreement, and it shall guarantee the legitimacy of fees to be paid by Guilong Industry and have the rights to supervise and inspect Duohua Project.

Term of cooperation:

The term of cooperation of Duohua Project is 10 years, among which 3 years will be the construction period and 7 years will be the operation period.

Fee and payment arrangement:

The total fees payable by Guilong Industry to Guishen Company in Duohua Project shall comprise with the followings:

- (i) Construction Cost

Being the investment and construction costs incurred by Guishen Company in Duohua Project (the "Construction Cost"), such Construction Cost, which is exclusive of the compensation for demolition and resettlement paid by Guilong Industry, shall be determined with current national regulations, methods and basis by entities which are qualified for preliminary design and budget preparation, and subject to the review and approval by Longli County Financial Investment Evaluation Center. The Construction Cost shall be paid by 7 equal installments pursuant to the operation period of 7 years. The first installment shall be paid within 28 days from the actual completion date of Duohua Project. If there is change in the construction scope or the construction standards, Guilong Industry and Guishen Company shall confirm such change by way of supplementary agreement.

(ii) Investment Returns

Being the return on the investment made by Guishen Company in Duohua Project, which is calculated from the actual completion date of Duohua Project. The principal shall be the then Construction Cost not yet paid by Guilong Industry, and annual investment return rate shall be 40% above the benchmark lending (5 year or more) rate published by the People's Bank of China. The investment return shall be paid yearly together with the Construction Cost until the Construction Cost is fully settled.

In reaching the terms of the Investment Cooperation Agreement, the Company has considered the size and nature of Duohua Project, the standards required by the government and the Company's past experience in road construction management.

INFORMATION ON DUOHUA PROJECT

Duohua Project is the road project from Jichang to Duohua in Longli, Guizhou Province with a length of approximately 2.2365 k.m., wherein it includes the Duohua Bridge with a total length of 1,260 m. The construction work of Duohua Project mainly takes place at the Duohua Bridge and the roads on both ends of the bridge.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTMENT COOPERATION AGREEMENT

The Company principally engages in the investment, construction, operation and management of toll highways and roads, as well as other urban and transportation infrastructure facilities, and construction management is one of the important and core business capabilities of the Company. By entering into the Investment Cooperation Agreement, the Group may further develop its road construction and related businesses, strengthen and enhance its advantages in the above said core business, and further enhance the Group's overall profitability, which is in line with the Group's overall development strategy.

The Board considers that Investment Cooperation Agreement was entered into on normal commercial terms after arm's length negotiation, and the terms of the Investment Cooperation Agreement are fair and reasonable and the transaction contemplated under the Investment Cooperation Agreement is in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE COMPANY AND PARTIES TO THE INVESTMENT COOPERATION AGREEMENT

Company

The Company and its subsidiaries are principally engaged in the investment, construction, operation and management of toll highways and roads, as well as other urban and transportation infrastructure facilities.

Longli Government

Longli Government is a local administrative authority governing the administrative matters within the administrative zone.

Guilong Industry

Guilong Industry is a limited liability company incorporated in the PRC. It principally engages in land development, construction of infrastructure facilities, integrated water conservancy business, industrial park development and tourism investment.

Guishen Company

Guizhen Company is a limited liability company incorporated in the PRC which indirectly owned as to 70% by the Company. It principally engages in investment, construction and management of road and infrastructure in urban and rural areas.

IMPLICATIONS UNDER THE LISTING RULES

Since the applicable percentage ratios of the transaction contemplated under the Investment Cooperation Agreement are above 5% but less than 25%, the entering of the Investment Cooperation Agreement is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

“Board”	the board of directors of the Company
“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 the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange
“Directors”	the directors of the Company
“Duohua Project”	the construction project of the road from Jichang to Duohua in Longli, Guizhou Province
“Group”	the Company and its subsidiaries
“Guilong Industry”	貴州貴龍實業(集團)有限公司 (Guizhou Guilong Industry (Group) Company Limited), a limited liability company incorporated in the PRC

“Guishen Company”	貴州貴深投資發展有限公司(Guizhou Guishen Investment Development Company Limited), a limited liability company incorporated in the PRC which is indirectly owned as to 70% by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment Cooperation Agreement”	the investment cooperation agreement entered into among Longli Government, Guilong Industry and Guishen Company on 29 March 2018
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longli Government”	The People’s Government of Longli County
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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, amounts denominated in RMB have been converted into HK\$ at the rate of RMB0.80=HK\$1.00 for illustration purpose only. No representation is made to the effect that any amount in RMB or HK\$ have 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
Luo Kun
Joint Company Secretary

Shenzhen, PRC, 29 March 2018

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. LIAO Xiang Wen (Executive Director), Ms. GONG Tao Tao (Executive Director), Mr. LIU Ji (Non-executive Director), Ms. CHEN Yan (Non-executive Director), Mr. FAN Zhi Yong (Non-executive Director), Mr. CHEN Yuan Jun (Non-executive Director), Mr. CAI Shu Guang (Independent non-executive Director), Mr. WAN Siu Wah Wilson (Independent non-executive Director), Ms. CHEN Xiao Lu (Independent non-executive Director) and Mr. BAI Hua (Independent non-executive Director).