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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)

UPDATE ANNOUNCEMENT ON THE RELOCATION COMPENSATION AGREEMENT

This announcement is made by Shenzhen Expressway Company Limited (the "Company") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 10 September 2014, 24 June 2015 and 30 June 2015, and the circular of the Company dated 17 September 2014 in relation to, among other things, the Relocation Compensation Agreement entered into between Meiguan Company (a wholly-owned subsidiary of the Company) and United Land Company (a company owned as to 49% and 51% by the Company and XTC Company, a controlling shareholder of the Company which directly owns 30.025% interests in the Company). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as defined in the said announcement dated 24 June 2015.

As disclosed in the said announcements and circular, pursuant to the Relocation Compensation Agreement, United Land Company agreed to pay a compensation to Meiguan Company for relocating the buildings on Meilin Checkpoint Renewal Land which were owned by Meiguan Company in order to commence the relocation work on Meilin Checkpoint Renewal Land. Meiguan Company completed the delivery of the said buildings in 2015, and recognised a phased compensation income of RMB28,328,200. As at the date of this announcement, the relocation work has not been completed.

Since Meiguan Company and United Land Company previously had not reached a final written confirmation on the compensation methods and amounts, the Shenzhen government had introduced a new urban renewal regulation, there were major changes in the market environment, and there were variation in the compensation determination time and basis for different compensation targets; Meiguan Company and United Land Company have had further negotiations on the compensation for the properties in order to ensure the fairness and consistency of the compensation. On 27 April 2018, Meiguan Company and United Land Company entered into a supplemental agreement to the Relocation Compensation Agreement (the "Supplemental Agreement"), pursuant to which United Land Company agreed to further increase the compensation by providing a relocated office building property of approximately 9,120 square meters to Meiguan Company.

After the signing of the Supplemental Agreement, Meiguan Company is expected to receive an asset compensation of approximately RMB456 million in the future, and the Group will, based on the present value of such future compensation, recognize a compensation income of approximately RMB330 million and a profit (after tax) of approximately RMB250 million in 2018. Having considered fact that the additional compensation under the Supplemental Agreement is subject to the offset by the unrealized internal transactions between the Group and an associate owned as to 49% by the Company (i.e. United Land Company), the additional compensation will eventually increase the net profit attributable to shareholders of the Company by approximately RMB126 million in 2018. On the other hand, as United Land Company is an investee company which is owned as to 49% by the Company, its compensation to Meiguan Company will increase the costs of demolition and relocation of the Meilin Checkpoint Urban Renewal Project, which will be reflected in operating results after the Meilin Checkpoint Urban Renewal Project proceeds to the sales stage, and will not have a significant impact on the Group's financial status and operating results in 2018. Taking into account factors such as confirmation and verification of future costs, the time value of money, and future development models, the additional compensation will have no negative impact on the Group's total return from the Meilin Checkpoint Urban Renewal Project. The above information are the results of preliminary estimation and the final impact is subject to be confirmed when it actually occurs and audited by the Company's auditors. **It is recommended that shareholders and investors should exercise caution when dealing with the securities of the Company.**

By Order of the Board
Luo Kun
Joint Company Secretary

Shenzhen, PRC, 27 April 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).