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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

ACQUISITION AND CAPITAL CONTRIBUTION IN NANJING WIND POWER

ACQUISITION AGREEMENT

The Board is pleased to announce that on 15 March 2019, Environmental Company (a wholly-owned subsidiary of the Company), Vendor A, Vendor B and Nanjing Wind Power entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, Environmental Company shall acquire 30% equity interest in Nanjing Wind Power from Vendor A and Vendor B at the consideration of RMB210,000,000 (approximately HK\$247,059,000), and make a one-way contribution of RMB300,000,000 (approximately HK\$352,941,000) into Nanjing Wind Power after completion of the acquisition. Upon completion of the transactions under the Acquisition Agreement, Environmental Company shall hold 51% equity interest in Nanjing Wind Power.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENT

The major businesses of the Group can be categorized into the transportation infrastructure business and the environmental protection business. Wind power (clean energy) is a sub-sector under the big sector of environmental protection business of the Group which is supported by national policies and has broad market prospects. Nanjing Wind Power is an overall solutions provider of wind power generation system for wind power farm, and it owns independent intellectual property rights over its core technology. The principal business of Nanjing Wind Power is within the scope of the major businesses of the Group. The investment in Nanjing Wind Power can expand the Group's revenue source and profit base, and lay a foundation for the Group to rapidly enter the wind power industry, which will help the Group to achieve its strategic objectives and maintain its continuous development. The signing of the Acquisition Agreement and the carry out of the transactions thereunder will effectively develop the Group's major environmental protection business, which is in line with the Group's development strategy and overall interests.

The Board considers that Acquisition Agreement was entered into on normal commercial terms after arm's length negotiation, and the terms of the Acquisition Agreement are fair and reasonable and the transactions contemplated under the Acquisition 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 Acquisition Agreement are above 5% but less than 25%, the entering of the Acquisition 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 15 March 2019, Environmental Company (a wholly-owned subsidiary of the Company), Vendor A, Vendor B and Nanjing Wind Power entered into the Acquisition Agreement. The principal terms of the Acquisition Agreement are as follows:

ACQUISITION AGREEMENT

Date: 15 March 2019

Parties: (1) Environmental Company (as purchaser);
(2) Vendor A (as vendor);
(3) Vendor B (as vendor); and
(4) Nanjing Wind Power.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Vendor A, Vendor B, Nanjing Wind Power and their respective ultimate beneficial owner is a third party independent of the Company and its connected persons.

Effective conditions of the Acquisition Agreement

The effectiveness of the Acquisition Agreement is subject to (i) each party having signed the Acquisition Agreement; (ii) Environmental Company and the Company having obtained all required approvals for the transactions under the Acquisition Agreement; (iii) Nanjing Wind Power having entered into development and investment cooperation agreement(s) with 中明綠源科技有限公司 (Zhongming Luyuan Technology Co., Ltd.*) and 南京寧風能源科技有限公司 (Nanjing Ningfeng Energy Technology Co., Ltd.*), pursuant to which, among others, the parties shall agree that Nanjing Wind Power shall have exclusive priority cooperation rights over the existing and future wind power farm resources of said two companies, and the cooperation shall include the provision of wind power equipment and other services required for the development of wind power farms; and (iv) Vendor A and Vendor B having arranged the senior management and the core staff enter into employment agreements of not less than 4 years and non-competition agreement of not less than 2 years.

If conditions (iii) and (iv) cannot be fulfilled within 3 months from the date of the Acquisition Agreement, the Acquisition Agreement will be deemed as never take effect and the parties will not be obliged to perform the Acquisition Agreement unless the parties agree to extend the deadline for the fulfillment of the conditions.

The Board of the Company ultimately approved the Acquisition Agreement and the transaction contemplated thereunder on 29 January 2019. As at the date of this announcement, the aforesaid four effective conditions have all been fulfilled.

Acquisition of Equity Interest

Environmental Company shall acquire a total of 30% equity interest in Nanjing Wind Power from Vendor A and Vendor B at the consideration of RMB210,000,000. As at the date of this announcement, the registered and paid-up capital of Nanjing Wind Power is RMB250,000,000. The shareholding structure of Nanjing Wind Power before and after completion of the Acquisition is as follow:

	Name of shareholders	Shareholdings before the acquisition	Shareholdings after completion of the acquisition	Consideration to be paid by Environmental Company (RMB'000)
Vendor A	Nanjing Anbeixin Investment Management Co., Ltd.* (南京安倍信投資管理有限公司)	47.3%	33.11%	99,330
	Pan Ai Hua* (潘愛華)	14.06%	9.80%	29,820
	Zhang Zhi* (張誌)	8.00%	5.60%	16,800
	Yin Shou Yuan* (殷壽源)	6.00%	4.20%	12,600
	Jiangyin Jiangong Group Co., Ltd.* (江陰建工集團有限公司)	4.00%	2.80%	8,400
	Liu Guang Sheng* (劉廣生)	4.00%	2.80%	8,400
	Wang Shu Man* (王姝曼)	4.00%	2.80%	8,400
	Zhu Sheng Li* (朱勝利)	4.00%	2.80%	8,400
	Rong Sheng Ping* (戎升平)	3.20%	2.24%	6,720
	Wang An Zheng* (王安正)	3.00%	2.45%	3,850
	Miu Li Ying* (繆麗英)	1.20%	0.84%	2,520
	Qian Jian Ying* (錢建英)	0.80%	0.56%	1,680
Vendor B	Pan Yu* (潘雨)	0.44%	-	3,080
Purchaser	Environmental Company	-	30%	-
	Total:	<u>100%</u>	<u>100%</u>	<u>210,000</u>

Environmental Company shall pay the aforesaid consideration of the acquisition of RMB210,000,000 to the escrow account agreed by the parties in an one-off manner within 5 working days from the Completion Date. After Environmental Company has confirmed Nanjing Wind Power has collected all employees' loan and accounts receivable prescribed in the Acquisition Agreement, the aforesaid consideration of the acquisition shall be released to Vendor A and Vendor B.

Capital Contribution

Upon completion of the aforesaid acquisition, Environmental Company shall contribute an amount of RMB300,000,000 to Nanjing Wind Power in order to subscribe for 30% equity interest in Nanjing Wind Power after completion of the capital contribution. Among the amount of the contribution, RMB107,142,900 will be included in the registered capital of Nanjing Wind Power, and the remaining RMB192,857,100 will be included in the capital reserve of Nanjing Wind Power. Prior to the capital contribution to Nanjing Wind Power, the shareholdings of each of the shareholders (being Environmental Company and Vendor A) will be diluted to 70% of their respective original shareholdings. After the capital contribution to Nanjing Wind Power, the shareholding of Environmental Company will be 51% (i.e. 30% of the shareholding before the capital contribution will be diluted to 21%, then adding the 30% of subscribed from the capital contribution).

Environmental Company shall pay the aforesaid contribution amount of RMB300,000,000 to the bank account designated by Nanjing Wind Power within 5 working days from the Completion Date.

Upon completion of the capital contribution, the registered and paid-up capital of Nanjing Wind Power will be increased to RMB357,142,900, and the shareholding structure of Nanjing Wind Power will be as follows:

	Name of shareholder	Shareholding upon completion of the transactions
Vendor A	Nanjing Anbeixin Investment Management Co., Ltd.* (南京安倍信投資管理有限公司)	23.18%
	Pan Ai Hua* (潘愛華)	6.86%
	Zhang Zhi* (張誌)	3.92%
	Yin Shou Yuan* (殷壽源)	2.94%
	Jiangyin Jiangong Group Co., Ltd.* (江陰建工集團有限公司)	1.96%
	Liu Guang Sheng* (劉廣生)	1.96%
	Wang Shu Man* (王姝曼)	1.96%
	Zhu Sheng Li* (朱勝利)	1.96%
	Rong Sheng Ping* (戎升平)	1.57%
	Wang An Zheng* (王安正)	1.71%
	Miu Li Ying* (繆麗英)	0.59%
	Qian Jian Ying* (錢建英)	0.39%
Purchaser	Environmental Company	51.00%
	Total:	<u>100%</u>

The consideration of the acquisition and the amount of the capital contribution under the Acquisition Agreement will be financed by the internal resources of the Group and/or borrowings by the Group.

Basis of the consideration of the acquisition and the capital contribution amount

The aforesaid consideration of the acquisition and the capital contribution amount were determined after arm's length negotiations among the Company, Environmental Company, Vendor A, Vendor B and Nanjing Wind Power on normal commercial terms. The Company and Environmental Company have comprehensively considered the development prospects of the wind power industry, the industry position, core technology and operation status of Nanjing Wind Power, and took into account the valuation report prepared by Pengxin Appraisal as the major factors in negotiating the consideration of the acquisition and the capital contribution amount. Pengxin Appraisal has adopted income approach in the valuation of 100% equity interest in Nanjing Wind Power as at 30 September 2018 which constitutes a profit forecast under Rule 14.61 of the Listing Rules. Further details of the assumptions used for the profit forecast are set out under the section headed "Valuation on Nanjing Wind Power" below.

Completion Date

The Completion Date of the Acquisition Agreement shall be the date when the industrial and commercial administration department has completed the registration of the change of equity interest in relation to the acquisition of the equity interest and capital contribution in Nanjing Wind Power by Environmental Company.

Upon completion of the transactions under the Acquisition Agreement, Nanjing Wind Power will become a non wholly-owned subsidiary of the Company and consolidated in the financial statements of the Group.

Performance Guarantee

Vendor A guaranteed that during the period from 1 January 2019 to 31 December 2022 (the "Guarantee Period"), the audited performance of Nanjing Wind Power shall reach the targets below (the "Performance Target"):

Unit: RMB'000

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
Operation revenue	450,000	600,000	760,000	950,000
Net profit	56,000	70,000	88,000	106,000

During any financial year in the Guarantee Period, for the first or second time when Nanjing Wind Power fails to reach the Performance Target, Vendor A shall altogether transfer part of their shareholders' return for such year (in proportion to their shareholdings in Nanjing Wind Power) to Environmental Company at no cost as compensation, so as to ensure the amount to be received by Environmental Company is equivalent to the shareholder's return receivable by it if Nanjing Wind Power can reach the Performance Target of the year. The compensation to be made by Vendor A is

limited to the full amount of the shareholders' return receivable by them for the year.

During any financial year in the Guarantee Period, for the third or fourth time when Nanjing Wind Power fails to reach the Performance Target, Vendor A shall altogether transfer part of their equity interest in Nanjing Wind Power (in proportion to their shareholdings in Nanjing Wind Power) to Environmental Company at no cost as compensation, so as to ensure after receiving the compensation equity interest (including the shareholders' return to the compensation equity interest), the amount to be received by Environmental Company is equivalent to the shareholder's return receivable by it if Nanjing Wind Power can reach the Performance Target of the year.

During the Guarantee Period, Vendor A shall pledge all their equity interest in Nanjing Wind Power in favour of Environmental Company as security.

Corporate Governance

Upon completion of the Acquisition Agreement, the board of directors of Nanjing Wind Power shall comprise 5 members, among which 3 directors shall be appointed by Environmental Company (including the chairman and the legal representative), and the remaining 2 directors shall be appointed by Vendor A. Further, Nanjing Wind Power shall also establish a general manager office, among which 2 of the members shall be appointed by Environmental Company (including the vice general manager and the chief financial officer), and the remaining 3 members shall be appointed by Vendor A.

INFORMATION ON NANJING WIND POWER

Nanjing Wind Power is a limited liability company established in the PRC which principally engages in the research and development, integration, manufacturing, installation, sales and maintenance of wind power systems, and investment and operation of wind power farms.

The table below sets out the consolidated audited financial information of Nanjing Wind Power for the two years ended 31 December 2018 prepared in accordance with the PRC Accounting Standards for Business Enterprises:

Unit: RMB'000

	For the year ended 31 December 2017	For the year ended 31 December 2018
Net profit (before tax)	99,720.48	63,150.90
Net profit (after tax)	84,232.96	54,128.95
	As at 31 December 2017	As at 31 December 2018
Net asset value	359,284.36	344,552.06

VALUATION ON NANJING WIND POWER

The Company has appointed Pengxin Appraisal to carry out the valuation of 100% equity interest in Nanjing Wind Power. The base date of the valuation is 30 September 2018. The 100% equity interest in Nanjing Wind Power is valued by adopting the income approach. As the valuation has adopted income approach which involves the use of discounted cash flow methodology and

constitutes a profit forecast under Rule 14.61 of the Listing Rules, this announcement shall comply with the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

Pursuant to Rule 14.62 of the listing rules, the key assumptions of this valuation mainly include the followings:

- (i) there will be no material changes in future economic, market or social environment (such as national macro-economic policies, market supply and demand conditions, fiscal and taxation policies, domestic and foreign trade policies, environmental protection policies, financial and currency policies, etc.);
- (ii) the enterprise under valuation will continue to operate after the valuation base date;
- (iii) there will be no material changes in the taxation and tax rate policies currently applicable to the enterprise under valuation;
- (iv) there will be no material adverse effect on the enterprise under valuation arising from any force majeure after the valuation base date;
- (v) all assets and liabilities of the enterprise under valuation have been presented and reported or a special explanation in respect thereof has been made to the valuer, and there does not exist any other liabilities/assets, contingent liabilities/assets, or other related rights/contingent rights and obligations/contingent obligations, etc.; and
- (vi) The accounting policy adopted by the enterprise under valuation is same as the Company in material aspects.

The total equity value attributable to the shareholders of the enterprise under valuation on the valuation base date is calculated by the corporate operating asset value (calculated by the operating free cash flow of the firm (FCFF) generated by the operating assets/resources of the enterprise under valuation after calculated with the appropriate discount rate), adding the value of the corporate non-operating assets and surplus assets, and deducting the value of the interest-bearing debts. The expected operating revenue and corporate free cash flow of Nanjing Wind Power in each of the major years are set out as below:

Unit : RMB ten thousand

Duration (year)	Operating revenue	Corporate free cash flow
October to December 2018	216.00	-333.87
2019	32,293.10	25,169.70
2020	37,844.83	3,529.12
2021	43,396.55	4,639.97
2022	47,810.34	5,648.74
2023	51,655.17	6,634.78
Perpetual period		8,013.94

Based on the above assumptions, value of 100% equity interests in Nanjing Wind Power as at the valuation base date of 30 September 2018 was RMB789,580,000 (approximately HK\$928,918,000). After excluding the profits resolved to be distributed to Vendor A and Vendor B after the valuation

base date and prior to the signing of the Acquisition Agreement in the amount of RMB66,300,000, the valuation result for reference use in the transaction contemplated under the Acquisition Agreement calculated under the same calibre was RMB723,280,000.

The Board has reviewed the principal assumptions adopted in the valuation, and is of the view that the valuation has been made after due and careful enquiry. The calculation of discounted future estimated cash flows adopted by Pengxin Appraisal on which the valuation is based has been reviewed by Ernest and Young, the auditors of the Company. The letter from the Board and the letter from Ernest and Young are included in Appendices I and II to this announcement, respectively.

REASONS FOR AND BENEFITS OF ENTERING INTO THE ACQUISITION AGREEMENT

The major businesses of the Group can be categorized into the transportation infrastructure business and the environmental protection business. Wind power (clean energy) is a sub-sector under the big sector of environmental protection business of the Group which is supported by national policies and has broad market prospects. Nanjing Wind Power is an overall solutions provider of wind power generation system for wind power farm, and it owns independent intellectual property rights over its core technology. The principal business of Nanjing Wind Power is within the scope of the major businesses of the Group. The investment in Nanjing Wind Power can expand the Group's revenue source and profit base, and lay a foundation for the Group to rapidly enter the wind power industry, which will help the Group to achieve its strategic objectives and maintain its continuous development. The signing of the Acquisition Agreement and the carry out of the transactions thereunder will effectively develop the Group's major environmental protection business, which is in line with the Group's development strategy and overall interests.

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

INFORMATION ON THE COMPANY, VENDOR A AND GD COMMUNICATION

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.

Environmental Company

Environment Company is a wholly-owned subsidiary of the Company incorporated in the PRC. It principally engages in investment in environmental protection industry, environmental treatment engineering and environmental protection technology development.

Vendor A

Vendor A comprises 12 of the existing shareholders of Nanjing Wind Power. Upon completion of the transactions under the Acquisition Agreement, they will remain as shareholders in Nanjing Wind Power. The information of these shareholders is set out as follow:

	Name	Principal Business / Occupation
1	Nanjing Anbeixin Investment Management Co., Ltd.* (南京安倍信投資管理有限公司)	a limited liability company incorporated in the PRC which principally engages in venture capital management, business management consultation, and financial consultation.
2	Jiangyin Jiangong Group Co., Ltd.* (江陰建工集團有限公司)	a limited liability company incorporated in the PRC which principally engages in various engineering construction, and the manufacturing and leasing of all kinds of construction parts, machineries and equipment.
3	Pan Ai Hua* (潘愛華)	a PRC resident and a management staff of Nanjing Wind Power
4	Zhang Zhi* (張誌)	a PRC resident and a professional investor
5	Yin Shou Yuan* (殷壽源)	a PRC resident and a professional investor
6	Liu Guang Sheng* (劉廣生)	a PRC resident and a professional investor
7	Wang Shu Man* (王姝曼)	a PRC resident and a professional investor
8	Zhu Sheng Li* (朱勝利)	a PRC resident and a professional investor
9	Rong Sheng Ping* (戎升平)	a PRC resident and a professional investor
10	Wang An Zheng* (王安正)	a PRC resident and a management staff of Nanjing Wind Power
11	Miu Li Ying* (繆麗英)	a PRC resident and a professional investor
12	Qian Jian Ying* (錢建英)	a PRC resident and a professional investor

Vendor B

Vendor B, Mr. Pan Yu* (潘雨), is a PRC resident and a professional investor. Vendor B is one of the existing shareholders of Nanjing Wind Power. Upon completion of the transactions under the Acquisition Agreement, he will cease to be a shareholder in Nanjing Wind Power.

IMPLICATIONS UNDER THE LISTING RULES

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

EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice contained in this announcement:

<i>Name</i>	<i>Qualifications</i>
Pengxin Appraisal	an independent qualified valuer in the PRC engaged in valuation
Ernst & Young	Certified Public Accountant, the PRC

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Pengxin Appraisal and Ernst & Young is an independent third party of the Company.

As at the date of this announcement, none of Pengxin Appraisal and Ernst & Young has any shareholding in any member of the Group, nor has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of Pengxin Appraisal and Ernst & Young has given and has not withdrawn its consent to the publication of this announcement with the inclusion of its opinion and advice and all references to its name in the form and context in which they are included.

DEFINITIONS

“Acquisition Agreement”	the equity acquisition agreement entered into among the Environmental Company, Vendor A, Vendor B and Nanjing Wind Power on 15 March 2019 in relation to the acquisition of equity interest and capital contribution in Nanjing Wind Power by Environmental Company
“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
“Completion Date”	has the meaning ascribed to it under the section headed “Acquisition Agreement – Completion Date” in this announcement
“Directors”	the directors of the Company
“Environmental Company”	深圳高速環境有限公司 (Shenzhen Expressway Environmental Company Limited), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Ernst & Young”	Ernst & Young Hua Ming LLP
“Group”	the Company and its subsidiaries
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Wind Power”	南京風電科技有限公司(Nanjing Wind Power Technology Co., Ltd.), a limited liability company incorporated in the PRC and owned as to 100% by Vendor A and Vendor B as at the date of this announcement
“Pengxin Appraisal”	深圳市鵬信資產評估土地房地產估價有限公司(Shenzhen Pengxin Appraisal Limited), an independent institution established in PRC with the qualifications for assets valuation
“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
“Vendor A”	12 of the existing shareholders of Nanjing Wind Power, the information of which is set out in the section headed “Information on the Company, Environmental Company, Vendor A and Vendor B – Vendor A” in this announcement
“Vendor B”	1 of the existing shareholders of Nanjing Wind Power, the information of which is set out in the section headed “Information on the Company, Environmental Company, Vendor A and Vendor B – Vendor B” in this announcement

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 RMB0.85=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
Company Secretary

Shenzhen, PRC, 15 March 2019

As at the date of this announcement, the directors of the Company are Mr. HU Wei (Executive Director and Chairman of the Board), Mr. LIAO Xiang Wen (Executive Director and President), Mr. WEN Liang (Executive Director), Ms. CHEN Yan (Non-executive Director), Mr. FAN Zhi Yong (Non-executive Director), Mr. CHEN Yuan Jun (Non-executive Director), Mr. CHEN Kai (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).

APPENDIX I - LETTER FROM THE BOARD OF DIRECTORS OF SHENZHEN EXPRESSWAY COMPANY LIMITED

15 March 2019

Listing Division
The Stock Exchange of Hong Kong Limited
11th Floor, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Dear Sirs,

Rule 14.62 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Reference is made to the announcement (the “Announcement”) of Shenzhen Expressway Company Limited (the “Company”) dated 15 March 2019, which mentioned the valuation (the “Valuation”) carried out by 深圳市鵬信資產評估土地房地產估價有限公司 (Shenzhen Pengxin Appraisal Limited) (“Pengxin Appraisal”) on the value of 100% equity interest of Nanjing Wind Power Technology Co., Ltd..

We have reviewed the Valuation for which Pengxin Appraisal is responsible, and discuss with Pengxin Appraisal on relevant matters (including the part of bases and assumptions upon which the Valuation has been prepared). We have also considered the letter from our auditor, Ernst & Young Hua Ming LLP dated 15 March 2019 addressed to us regarding the discounted future estimated cash flows on which the Valuation is based, so far as the calculations are concerned, has been properly compiled.

On the basis of the foregoing, we are of the opinion that the Valuation mentioned in the Announcement has been stated after due and careful enquiry.

Yours faithfully,

By Order of the Board
Shenzhen Expressway Company Limited
HU Wei
Chairman

APPENDIX II

The following is the text of the report received from Ernst & Young Hua Ming LLP, Certified Public Accountants, the PRC, for the purpose of inclusion in this announcement.



Ernst & Young Hua Ming LLP
Level 16, Ernst & Young Tower
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Beijing, China 100738

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REPORT FROM REPORTING ACCOUNTANTS ON THE DISCOUNTED CASH FLOW FORECAST IN CONNECTION WITH THE VALUATION OF 100% OF THE FAIR VALUE OF NANJING WIND POWER TECHNOLOGY COMPANY LIMITED

To the Directors of Shenzhen Expressway Company Limited

We have been engaged to report on the arithmetical accuracy of the calculations of the discounted cash flow forecast (the "Forecast") on which the valuation dated 30 January 2019 prepared by Shenzhen PengXin Appraisal Limited in respect of 100% of the fair value of Nanjing Wind Power Technology Company Limited (the "Target") as at 30 September 2018 is based. The valuation is set out in the announcement of Shenzhen Expressway Company Limited (the "Company") dated 15 March 2019 (the "Announcement") in connection with the acquisition of 30% of the fair value of the Target and a unilateral capital increase to 51% of the fair value of the Target. The valuation based on the Forecast is regarded by The Stock Exchange of Hong Kong Limited as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' responsibilities

The directors of the Company (the "Directors") are responsible for the Forecast. The Forecast has been prepared using a set of bases and assumptions (the "Assumptions"), the completeness, reasonableness and validity of which are the responsibility of the Directors. The Assumptions are set out on page 7 of the Announcement.

Reporting Accountants' responsibilities

Our responsibility is to express an opinion on the arithmetical accuracy of the calculations of the Forecast based on our work. The Forecast does not involve the adoption of accounting policies.

We conducted our engagement in accordance with China Standard on Other Assurance Engagements No.3101-Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the Chinese Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform our work to obtain reasonable assurance as to whether, so far as the arithmetical accuracy of the calculations are concerned, the Directors have properly compiled the Forecast in accordance with the Assumptions adopted by the Directors. Our work consisted primarily of checking the arithmetical accuracy of the calculations of the Forecast prepared based on the Assumptions made by the Directors. Our work is substantially less in scope than an audit conducted in accordance with China Standards on Auditing issued by the Chinese Institute of Certified Public Accountants. Accordingly, we do not express an audit opinion.

We are not reporting on the appropriateness and validity of the Assumptions on which the Forecast are based and thus express no opinion whatsoever thereon. Our work does not constitute any valuation of the Target. The Assumptions used in the preparation of the Forecast include hypothetical assumptions about future events and management actions that may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Forecast and the variation may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.62(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of our work, or arising out of or in connection with our work.



Opinion

Based on the foregoing, in our opinion, so far as the arithmetical accuracy of the calculations of the Forecast is concerned, the Forecast has been properly compiled in all material respects in accordance with the Assumptions adopted by the Directors.

Ernst & Young Hua Ming LLP

Certified Public Accountant: Xie Feng

Beijing, the People's Republic of China

Certified Public Accountant: Deng Dong Mei

15 March 2019