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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**

**ACQUISITION OF 48% INTEREST IN SHENZHEN INTERNATIONAL  
FINANCE LEASING CO., LTD**

**EQUITY TRANSFER AGREEMENTS**

The Board is pleased to announce that on 17 March 2020, the Group and the subsidiaries of SZ International entered into Equity Transfer Agreement A and Equity Transfer Agreement B, pursuant to which the Group shall acquire from the subsidiaries of SZ International an aggregate of 48% interest in the Target Company at a total consideration of RMB151.69 million.

Upon completion of the transactions under the Equity Transfer Agreements, the Company will own as to 100% equity in Logistics Company and 48% interest in the Target Company. Since the Company will have the right to appoint or remove the majority of the directors in the board of the Target Company, both Logistics Company and the Target Company will become subsidiaries of the Company and included in the consolidated financial statements of the Company.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS**

The acquisition of the Target Company is conducive for the Group to give full play to its financing advantages, and helps to provide financial leasing services to satisfy the capital required in the principal businesses and the upstream and downstream of the industry chain of the Group. It is an important way for the Group to achieve “industrial-financial integration” and its business synergy strategy, which will help to enhance the overall value of the Group. In addition, the financial leasing industry has a good development prospect, and the Target Company can contribute reasonable returns to the Company.

## **IMPLICATIONS UNDER THE LISTING RULES**

Since SZ International is a controlling shareholder which indirectly owns as to approximately 52% interest of the Company, and SZI (HK) and SZI Logistics are wholly-owned subsidiaries of SZ International, both of them are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company.

As the applicable percentage ratios of the transactions under the Equity Transfer Agreements in aggregate are more than 0.1% but less than 5%, the transactions under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 17 March 2020, the Group and the subsidiaries of SZ International entered into Equity Transfer Agreement A and Equity Transfer Agreement B, pursuant to which the Group shall acquire from the subsidiaries of SZ International an aggregate of 48% interest in the Target Company at a total consideration of RMB151.69 million. The respective principal terms of Equity Transfer Agreement A and Equity Transfer Agreement B are set out as follows:

### **EQUITY TRANSFER AGREEMENT A**

*Date:* 17 March 2020

*Parties:* Mei Wah Company, as purchaser (a wholly-owned subsidiary of the Company); and SZI (HK), as vendor (a wholly-owned subsidiary of SZ International).

*Target Equity:*

As at the date of this announcement, Logistics Company owns 43% equity in the Target Company and owes SZI (HK) a shareholder loan (the “**Shareholder’s Loan**”) in the amount of RMB129 million. Pursuant to Equity Transfer Agreement A, Mei Wah Company agreed to acquire from SZI (HK) 100% equity in Logistics Company (free of any encumbrance) and repay the Shareholder’s Loan on behalf of Logistics Company in full. The parties agreed that the aim of Equity Transfer Agreement A is to allow Mei Wah Company to obtain the 43% interest in the Target Company (free of any encumbrance) through the acquisition of Logistics Company.

*Payment Manner:*

The consideration for the 100% equity in Logistic Company is RMB7.19 million. In addition with the Shareholder’s Loan, the total consideration payable by Mei Wah Company to SZI (HK) is RMB136.19 million, which shall be fully settled in cash, among which the consideration for the transfer of the equity shall be settled within 5 working days upon the signing of Equity Transfer Agreement A, while the Shareholder Loan shall be settled before 30 June 2020.

The consideration under Equity Transfer Agreement A shall be financed by the internal resources of the Group and/or borrowings.

*Completion:*

Subject to the parties having complied with the applicable laws and regulations (including but not limited to the listing rules applicable to its listed securities), Mei Wah Company and SZI (HK) shall complete the transfer of the 100% equity in the Logistics Company within 20 working days from the signing date (or such later date agreed by the parties in writing) of Equity Transfer Agreement A. Upon completion of Equity Transfer Agreement A, the Company will own 100% equity in Logistics Company, and own 43% interest in the Target Company through Logistics Company.

## **EQUITY TRANSFER AGREEMENT B**

*Date:* 17 March 2020

*Parties:* the Company, as purchaser;  
SZI Logistics, as vendor (a wholly-owned subsidiary of SZ International); and  
SZI (HK) (a wholly-owned subsidiary of SZ International).

SZI (HK) shall be responsible for the relevant undertakings, liabilities and obligations of SZI Logistics as the vendor.

*Target Equity:*

Pursuant to Equity Transfer Agreement B, the Company agreed to acquire from SZI Logistics 5% equity in the Target Company (free of any encumbrance).

*Payment Manner:*

The consideration for the 5% equity in the Target Company is RMB15.50 million, which the Company shall be fully settled in cash within 5 working days upon the signing of Equity Transfer Agreement B.

The consideration under Equity Transfer Agreement B shall be financed by the internal resources of the Group.

*Completion:*

Within 20 working days from the signing date of Equity Transfer Agreement B, the Company and SZI Logistics shall complete the transfer of the 5% equity in the Target Company. Upon completion of Equity Transfer Agreement B, the Company will directly own 5% equity in the Target Company.

Upon completion of the two Equity Transfer Agreements, the Company will in aggregate own 100% equity in Logistics Company and 48% interest in the Target Company. Since the Company will have the right to appoint or remove the majority of the directors in the board of the Target Company, both Logistics Company and the Target Company will become subsidiaries of the Company and included in the consolidated financial statements of the Company.

*Basis of Determination of the Consideration:*

The considerations and other terms under both Equity Transfer Agreement were determined after arm's length negotiations among the parties on normal commercial terms. In determining the considerations, the Company has based on the net asset value of the Target Company, and comprehensively considered the development prospect of the financial leasing industry, the business synergy with the principal businesses of the Group, the Group's development plans for its principal businesses such as clean energy, the existing risk assets and risk factors of the Target Company. The Company has also made reference to the valuation report prepared by the independent valuer, Pengxin Appraisal, as the major consideration factors in the negotiation of the above-stated considerations.

Pengxin Appraisal has adopted the market approach in the valuation of the entire interest in the Target Company using base date as 30 November 2019. Based on the results of the valuation, the entire interest of the Target Company is RMB310 million.

**INFORMATION ON LOGISTICS COMPANY AND THE TARGET COMPANY**

Logistics Company is a limited liability company established in Hong Kong which is a wholly-owned subsidiary of SZI (HK) as at the date of this announcement and principally engages in investment holding. The only major asset it owns is the 43% equity in the Target Company.

The table below sets out the consolidated audited financial information of Logistics Company for the two years ended 31 December 2018 prepared in accordance with Hong Kong Financial Reporting Standards and the eleven months ended 30 November 2019 prepared in accordance with China Accounting Standards for Business Enterprises:

	<b>For the year ended 31 December 2017</b> <i>(HK\$'000)</i> <i>(audited)</i>	<b>For the year ended 31 December 2018</b> <i>(HK\$'000)</i> <i>(audited)</i>	<b>For the eleven months ended 30 November 2019</b> <i>(RMB'000)</i> <i>(audited)</i>
Net profit (before tax)	-34.4	95.8	2,993.4
Net profit (after tax)	-34.4	95.8	2,993.4
	<b>As at 31 December 2017</b> <i>(HK\$'000)</i> <i>(audited)</i>	<b>As at 31 December 2018</b> <i>(HK\$'000)</i> <i>(audited)</i>	<b>As at 30 November 2019</b> <i>(RMB'000)</i> <i>(audited)</i>
Net assets	154,032.4	-2,584.4	2,908.5

The Target Company is a limited liability company established in the PRC with a registered and paid up capital of RMB300 million. It principally engages in financial leasing and commercial factoring. As at the date of this announcement, its shareholding structure is as follows:

Shareholders	Capital contribution (RMB'000)	Percentage
1. Logistics Company	129,000	43%
2. SZI Logistics	15,000	5%
3. Shenzhen Jianronghe Investment Co., Ltd. (深圳市建融合投資有限公司)	45,000	15%
4. Shenzhen Nanhai Jiaji Financial Holdings Co., Ltd. (深圳市南海嘉吉金融控股有限公司)	30,000	10%
5. Shenzhen Bauing Construction Holdings Group Co., Ltd. (深圳市寶鷹建設控股集團股份有限公司)	28,500	9.5%
6. Shenzhen Whalehouse Technology Co., Ltd. (深圳市鯨倉科技有限公司)	27,700	9%
7. Hangcha Group Co., Ltd. (杭叉集團股份有限公司)	<u>25,500</u>	<u>8.5%</u>
<b>Total:</b>	<b><u>300,000</u></b>	<b><u>100%</u></b>

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, save for Logistics Company and SZI Logistics, each of above shareholders of the Target Company and their respective ultimate beneficial owner(s) is a independent third party of the Company and its connected persons.

The table below sets out the consolidated audited financial information of the Target Company for the two years ended 31 December 2018 and the eleven months ended 30 November 2019 prepared in accordance with the China Accounting Standards for Business Enterprises:

	<b>For the year ended 31 December 2017 (audited)</b>	<b>For the year ended 31 December 2018 (audited)</b>	<i>Unit: RMB'000</i> <b>For the eleven months ended 30 November 2019 (audited)</b>
Net profit (before tax)	550.4	15,720.5	1,358.4
Net profit (after tax)	393.9	11,755.2	1,018.8
	<b>As at 31 December 2017 (audited)</b>	<b>As at 31 December 2018 (audited)</b>	<b>As at 30 November 2019 (audited)</b>
Net assets	228,393.9	311,912.8	305,878.5

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS**

The acquisition of the Target Company is conducive for the Group to give full play to its financing advantages, and helps to provide financial leasing services to satisfy the capital required in the principal businesses and the upstream and downstream of the industry chain of the Group. It is an important way for the Group to achieve “industrial-financial integration” and its business synergy strategy, which will help to enhance the overall value of the Group. In addition, the financial leasing industry has a good development prospect, and the Target Company can contribute reasonable returns to the Company.

The Directors of the Company (including the independent non-executive Directors) consider that the terms in both Equity Transfer Agreements are fair and reasonable and the transactions contemplated thereunder are in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY AND MEI WAH 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.

Mei Wah Company is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. It principally engages in investment holding.

## **INFORMATION ON SZ INTERNATIONAL, SZI (HK) AND SZI LOGISTICS**

SZ International and its subsidiaries are principally engaged in the investment, construction and operation of logistic infrastructure facilities, as well as providing various value-added logistic services to customers leveraging its infrastructure facilities and information services platform.

SZI (HK) is a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of SZ International. It principally engages in investment holding.

SZI Logistics is a limited liability company incorporated in the PRC and a wholly-owned subsidiary of SZ International. It principally engages in investment in industries, information consultation on logistics.

## IMPLICATIONS UNDER THE LISTING RULES

Since SZ International is a controlling shareholder which indirectly owns as to approximately 52% interest of the Company, and SZI (HK) and SZI Logistics are wholly-owned subsidiaries of SZ International, both of them are connected persons of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Equity Transfer Agreements constitute connected transactions of the Company.

As the applicable percentage ratios of the transactions under the Equity Transfer Agreements in aggregate are more than 0.1% but less than 5%, the transactions under the Equity Transfer Agreements are subject to the reporting and announcement requirements but exempted from independent shareholders' approval requirement under Chapter 14A 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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	the directors of the Company
“Equity Transfer Agreement A”	the equity transfer agreement entered into between Mei Wah Company and SZI (HK) on 17 March 2020 in relation to Mei Wah Company's acquisition from SZI (HK) of 100% equity in Logistics Company
“Equity Transfer Agreement B”	the equity transfer agreement entered into among the Company, SZI Logistics and SZI (HK) on 17 March 2020 in relation to the Company's acquisition of 5% equity in the Target Company from SZI Logistics
“Equity Transfer Agreements”	Equity Transfer Agreement A and Equity Transfer Agreement B
“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
“Logistics Company”	China Logistics Financial Services Limited, a limited company incorporated in Hong Kong which is wholly-owned by SZI (HK) and the owner of 43% equity in the Target Company as at the date of this announcement

“Mei Wah Company”	Mei Wah Industrial (Hong Kong) Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Pengxin Appraisal”	Shenzhen Pengxin Appraisal Limited (深圳市鵬信資產評估土地房地產估價有限公司), an independent valuer 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
“SZ International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“SZI (HK)”	Shenzhen International Limited, a limited company incorporated in Hong Kong and a wholly-owned subsidiary of SZ International
“SZI Logistics”	Shenzhen International Logistics Development Co., Ltd (深圳市深國際物流發展有限公司), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of SZ International
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shenzhen International Finance Leasing Co., Ltd. (深圳市深國際融資租賃有限公司), a limited liability company incorporated in the PRC which is indirectly owned as to 48% by SZ International as at the date of 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.*

By Order of the Board  
**Gong Tao Tao**  
*Joint Company Secretary*

Shenzhen, PRC, 17 March 2020

*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).*