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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)**

### **VOLUNTARY ANNOUNCEMENT**

This announcement is made by Shenzhen Expressway Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

Reference is made to the announcements of the Company dated 8 January 2020 and 17 March 2020 in relation to the Group’s acquisition of equity interest in Lande Environmental Technology Group Holdings Co., Ltd. (“**Lande Group**”) and equity interest in Shenzhen International Finance Leasing Co., Ltd. (“**Finance Leasing Co**”). Such two companies were consolidated into the financial statements of the Group upon completion of the acquisitions.

Prior to the acquisitions by the Group, the said two companies had the following existing arbitrations and litigations:

#### **Lande Group**

(1) In August 2015, a subsidiary of Lande Group entered into a contractor agreement with the arbitration applicant (being the contractor) in relation to a project on food waste utilization and the harmless treatment and domestic waste leachate treatment plant. Thereafter in June 2018, Lande Group, its subsidiary and the arbitration applicant entered into a supplemental agreement, wherein the parties had agreed on the settlement amount and payment manner, and Lande Group had undertaken to bear the joint and several guarantee responsibility for its subsidiary with regard to the payment obligation under the contractor agreement and the supplemental agreement. The arbitration applicant made an arbitration application to the Dezhou Arbitration Commission in December 2018 for recovery of the fee of the aforesaid projects. In September 2019, the Dezhou Arbitration Commission granted that the subsidiary of Lande Group should pay a total of approximately RMB93,420,280.99 to the arbitration applicant (including project fee, refundable deposits, arbitration fees and appraisal fees) and capital usage fees. In January 2020, the arbitration applicant applied to the Shandong Dezhou Intermediate People's Court for enforcement of the arbitration award, and such arbitration case is still under process. Besides, since there was no agreed arbitration provision between Lande Group and the arbitration applicant, the application made against Lande Group was rejected. After grant of the arbitration award, the arbitration applicant filed a lawsuit in Beijing Second Intermediate People's Court in October 2019 requiring Lande Group to assume joint and several responsibility as guarantor for the arbitration award payment obligations of its subsidiary. The court has ruled in favour of the arbitration applicant in March 2020. In January 2020, Lande Group and its subsidiary had applied to the Shandong Dezhou Intermediate People's Court for withdrawing the arbitration

award, such application was rejected in February 2020.

(2) In December 2016, the subsidiary of Lande Group and the claimant (being the contractor) entered into a contractor agreement, in relation to a project on food and kitchen waste utilization and renovation and expansion of a harmless treatment plant. After implementation of the project, Lande Group, its subsidiary and the claimant entered a tripartite agreement, pursuant to which Lande Group agreed to assume joint and several responsibility for its subsidiary. In December 2019, the claimant filed a lawsuit against Lande Group and its subsidiary at the Nanning Intermediate People's Court of Guangxi Zhuang Autonomous Region, pursuant to which it claimed an amount of RMB31,648,596.79 from the subsidiary of Lande Group (being the equipment occupancy fees, project fees, interest on the project fees and penalty for breach of agreement), requested Lande Group to assume joint and several repayment responsibility for its subsidiary, and secured the assets of Lande Group and its subsidiary equivalent to the amount of claim. The subsidiary of Lande Group has counter-claimed the claimant for a compensation of RMB50,000,000 for the loss from the delay in construction and failure to complete the work on time caused by the claimant. This litigation is still under processed.

### **Finance Leasing Co**

Finance Leasing Co entered into a factoring agreement with the borrower in March 2018, pursuant to which it granted a financing facility to the borrower with the amount being RMB50,000,000. The borrower has provided receivables of the repaying company as the basis for repayment, and provided a joint and several guarantee with other guarantors on the repayment obligations of the repaying company. Since the repaying company failed to repay the indebtedness upon maturity, Finance Leasing Co (as claimant) made an application to Shenzhen International Arbitration Court for claim of repayment in March 2019. In October 2019, Shenzhen International Arbitration Court granted the arbitration award which required the repaying company to settle the said facility of RMB50,000,000 together with interest, legal fees, etc., and required the borrower and the other guarantors to jointly assume the repayment responsibility. Since the parties concerned did not settle the claimed amount after the grant of the arbitration award, Finance Leasing Co applied to the Shenzhen Intermediate People's Court for enforcement of the arbitration award in January 2020, and the court has accepted the said application.

The Group had considered the risks of arbitrations and litigations before acquisitions of the two companies. Regarding the arbitration and litigation of Lande Group, the original shareholders of Lande Group had undertaken to be responsible for any loss suffered by Lande Group caused by contingent event occurred prior to the completion of the acquisition under the capital increase and equity transfer agreement dated 8 January 2020. As for the arbitration of Finance Leasing Co, the Group had considered the specific risks of the relevant assets before the acquisition, and taken such risks in the account of the consideration. The abovementioned arbitrations and litigations will not have a significant impact on the Group's daily operations and repayment capacity. The Company will announce further updates on the relevant matters as required under the applicable laws and regulations, and the Listing Rules.

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

Shenzhen, PRC, 24 April 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).*