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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 AGREEMENT IN RELATION TO
BIMENG PROJECT**

INVESTMENT COOPERATION AGREEMENT

The Board is pleased to announce that on 13 May 2020, Guilong Industry and Investment Company, a wholly-owned subsidiary of the Company, entered into the Investment Cooperation Agreement. Pursuant to the Investment Cooperation Agreement, Investment Company shall be responsible for the financing and construction work of Bimeng Project, and it shall handover the project to Guilong Industry upon completion and inspection. The investment amount in the Bimeng Project is estimated to be approximately RMB1 billion, and Guilong Industry shall pay the project fee to Investment 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 and financing capacity are important and core business capabilities of the Company. Investment Company, being a wholly-owned subsidiary of the Company, principally engages in construction and comprehensive development of linked lands. By entering into the Investment Cooperation Agreement, the Group may further develop its urban facilities 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 financing of Bimeng Project by Investment Company for Guilong Industry pursuant to the Investment Cooperation Agreement constitutes a transaction of the Company under Chapter 14 of the Listing Rules, and the applicable percentage ratios of such transaction 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 13 May 2020, Guilong Industry and Investment Company, a wholly-owned subsidiary of the Company, entered into the Investment Cooperation Agreement. The principal terms of the Investment Cooperation Agreement are as follows:

Investment Cooperation Agreement

Date : 13 May 2020

Parties: Guilong Industry; and
Investment Company.

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

Information of Bimeng Project:

The Bimeng Project is located in Longshan Town, Longli County, Qiannan Prefecture, Guizhou Province, the PRC, with a total land area of approximately 87,000 square meters and a total construction area of approximately 327,000 square meters. Subject to the final approval of the design and content of the construction plan, the project is composed of four first-class high-rise commercial and residential buildings and twelve second-class high-rise residential buildings.

The estimated budget of the construction work of Bimeng Project is approximately RMB1,112,236,800 (inclusive of items such as land expropriation and demolition fees and construction and installation fees). Investment Company shall be responsible for financing funds for the construction in the estimated amount of RMB1 billion while Guilong Industry shall pay the project fee to Investment Company pursuant to the Investment Cooperation Agreement.

Responsibilities of each party:

Pursuant to the Investment Cooperation Agreement:

- (i) The principal responsibilities of Investment Company include: financing, construction and handover of the Bimeng Project, among which the construction work shall include works such as tender agency, price consultation, construction insurance, site leveling, construction and installation, completion inspection. Investment Company shall be responsible for the managing and controlling of the progress, quality, cost and safety of the project, organizing of the project management team, organizing project investment, financing and construction according to the plan, and actively and steadily promote the construction work of the project. Upon completion and inspection of the Bimeng Project, Investment Company shall handover the project to Guilong Industry. It is expected that amount needed to be invested by Investment Company in Bimeng Project will be approximately RMB1 billion, such amount is expected to be funded by the Group's internal resources and/or borrowings.
- (ii) The principal responsibilities of Guilong Industry include: responsible for the relevant approval procedures and the obtaining of other relevant administrative permits required for the construction of the Bimeng Project, ensure the permitted usage of the construction land, responsible for timely completion of all land expropriation and

demolition and resettlement compensation for demolished households within the construction area of the project, and bear the compensation fee for the land expropriation and demolition and resettlement. It shall obtain the first-level development rights of the land designated under the Investment Cooperation Agreement, complete the first-level development thereon to meet the conditions for the transfer of state-owned land. Guilong Industry shall, pursuant to the Investment Cooperation Agreement, pay all the fee of Bimeng Project to Investment Company, including the construction cost and investment return.

Term of cooperation:

The term of cooperation of Bimeng Project is 5 years, among which 2 years will be the construction period and 3 years will be the operation period.

Fee and payment arrangement:

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

(i) Construction Cost

Being the investment and construction costs incurred by Investment Company in Bimeng Project (the "Construction Cost") as confirmed and audited by the accounting department, which include project construction and installation fees, fees of material change of the project (if applicable), other project construction fees, project preparation fees and other items entrusted by Guilong Industry (if applicable). The Construction Cost shall be determined by relevant national regulations and methods. The Construction Cost shall be paid by in the portion of 40%, 30% and 30% upon the actual completion of the project during the 3-year operation period, respectively. The first installment shall be paid on the last working day on the 12th month after the actual completion date, and the second and third installments shall be paid on the same date of the years thereafter.

(ii) Investment Returns

Being the return on the investment in Bimeng Project, which shall be paid during the 3-year operation period together with the Construction Cost and calculated from the actual completion date of the Bimeng Project (exclusive of such day). The calculation of the investment returns shall be using the principal of the then outstanding Construction Cost not yet paid by Guilong Industry multiply by the annual investment return rate of 7%.

In determining the fees under the Investment Cooperation Agreement, Investment Company has considered the factors such as the construction standards stipulated by the government, the investment scale and cooperation period of the Bimeng Project, the financial cost incurred by Investment Company, various risk in the construction and operation of the project, and its experiences accumulated in the field of project construction and management.

Guarantee of Fee Payment:

In order to ensure Guilong Industry pays the fee of the Bimeng Project to Investment Company pursuant to the Investment Cooperation Agreement, the parties agree that that Guilong Industry shall obtain the first-level development rights of the land designated under the Investment Cooperation Agreement (total area of about 1,500 mu, planned for commercial and residential use) and complete the first-level development thereon. Guilong Industry shall apply all its

income from the first-level development of the said designated land for payment of the fee for the Bimeng Project. To secure collection of the fee of Bimeng Project by Investment Company, the parties will open a co-managed account for depositing Guilong Industry's income from the first-level development of the designated land.

The parties further agreed that the income from the first-level development of the designated land shall not be the only source of funding for Guilong Industry to pay for the fee of the Bimeng Project.

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 and financing capacity are important and core business capabilities of the Company. Investment Company, being a wholly-owned subsidiary of the Company, principally engages in construction and comprehensive development of linked lands. By entering into the Investment Cooperation Agreement, the Group may further develop its urban facilities 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.

Investment Company

Investment Company is a limited liability company incorporated in the PRC which is wholly-owned by the Company. It principally engages in construction and comprehensive development of linked lands.

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.

The ultimate beneficial owner of Guilong Industry is the people's government of Longli County.

IMPLICATIONS UNDER THE LISTING RULES

Since the financing of Bimeng Project by Investment Company for Guilong Industry pursuant to the Investment Cooperation Agreement constitutes a transaction of the Company under

Chapter 14 of the Listing Rules, and the applicable percentage ratios of such transaction 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

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| “Bimeng Project” | the construction project of the residential area of Bimeng Garden in Longli, Guizhou Province |
| “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 |
| “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 |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People's Republic of China |
| “Investment Company” | 深圳高速投資有限公司 (Shenzhen Expressway Investment Company Limited), a limited liability company incorporated in the PRC which is wholly-owned by the Company |
| “Investment Cooperation Agreement” | the investment cooperation agreement entered into between Guilong Industry and Investment Company on 13 May 2020 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “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.

By Order of the Board
Gong Tao Tao
Joint Company Secretary

Shenzhen, PRC, 13 May 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).