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 IN NEW ENERGY COMPANIES

INVESTMENT IN NEW ENERGY COMPANIES

Reference is made to the voluntary announcement of the Company dated 25 January 2021 in relation to Investment Agreement I entered into among the Purchaser (a wholly-owned subsidiary of the Company), Vendor A, the controlling shareholder of Vendor A, Qianzhi Company and Qianhui Company on 25 January 2021. Pursuant to Investment Agreement I, the Purchaser agreed to acquire 100% equity interests in each of Qianzhi Company and Qianhui Company at the consideration of RMB290,000,000 and RMB160,000,000, and make capital contribution of RMB189,183,100 and RMB104,376,900 in each of Qianzhi Company and Qianhui Company upon completion of the equity transfers.

The Board is pleased to announce that on 26 March 2021, the Purchaser, Vendor A, Vendor B and Qianxin Company entered into Investment Agreement II, pursuant to which the Purchaser shall acquire 100% equity interests in Qianxin Company from Vendors A & B at the total consideration of RMB150,000,000 and make capital contribution of RMB121,680,000 in Qianxin Company upon completion of the equity transfer. Upon completion of Investment Agreement II, Qianxin Company will become a wholly-owned subsidiary of the Company and consolidated into the financial statements of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTEMENT AGREEMENTS

The principal businesses of the Group can be categorized into the transportation infrastructure business and the general-environmental protection business. Wind power (clean energy) is a sub-sector under the general-environmental protection business of the Group which is supported by national policies and has broad market prospects. Qianzhi Company, Qianhui Company and Qianxin Company are principally engaged in the investment, operation and management of wind power farm in Xinjiang Uygur Autonomous Region. Qianzhi Company, Qianhui Company and Qianxin Company have ample wind power resources and relatively stronger comparative advantages in the approved on-grid electricity price, which are transmitted to the East China power grid for consumption through Zhundong-Southern Anhui ultra high voltage DC transmission channel. The principal business of each of the said companies falls within the scope of the Group's principal business. Therefore, investment in such companies can broaden the sources of operation revenue and profit base of the Group, which is beneficial to the Group's expansion of its wind power business scale, realization of the Group's strategic goals and sustainable development. Entering into the two Investment Agreements and carrying out the transactions thereunder will effectively develop the Group's general-environmental protection industry, which is in line with the Group's development strategy and overall interests.

IMPLICATIONS UNDER THE LISTING RULES

As the acquisition transactions under Investment Agreements I & II took place within 12 months period and such transactions are both conducted with Vendor A, the Company shall aggregate the said transactions (including the acquisition transactions and the capital contribution transactions under Investment Agreements) pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios of the transactions under Investment Agreements I & II (after aggregation) are more than 5% but all less than 25%, the transactions under Investment Agreements I & II are subject to the reporting and announcement requirements but exempted from shareholders' approval requirement under Chapter 14 of the Listing Rules.

As disclosed in the voluntary announcement of the Company dated 25 January 2021, the Purchaser (a wholly-owned subsidiary of the Company), Vendor A, the controlling shareholder of Vendor A, Qianzhi Company and Qianhui Company entered into Investment Agreement I on 25 January 2021. Further on 26 March 2021, the Purchaser, Vendor A, Vendor B and Qianxin Company entered into Investment Agreement II. The principal terms of Investment Agreements I & II are set out as follows:

INVESTMENT AGREEMENT I

Date: 25 January 2021

Parties: the Purchaser;
Vendor A, controlling shareholder of Vendor A; and
Qianzhi Company and Qianhui Company.

Equity Transfer:

As at 25 January 2021, each of Qianzhi Company and Qianhui Company had a registered and fully paid capital of RMB290,000,000 and RMB160,000,000, respectively, and were wholly-owned by Vendor A.

Vendor A agreed to transfer 100% equity interests in each of Qianzhi Company and Qianhui Company to the Purchaser at the consideration of RMB290,000,000 and RMB160,000,000, respectively .

Within 5 working days upon fulfillment of all the conditions precedent in Investment Agreement I, Vendor A and controlling shareholder of Vendor A shall assist Qianzhi Company and Qianhui Company to deal with the business registration procedures of the aforesaid equity transfers, and the Purchaser shall pay the respective considerations by bank transfer within 5 working days from the date the parties having commenced the business registration procedures. The conditions precedent under Investment Agreement I principally include:

1. Investment Agreement I having been signed by the parties and become effective;
2. The Purchaser and controlling shareholder of Vendor A having reached an agreement with the creditor of Qianzhi Company and Qianhui Company, and completed the release of the pledge of equity interests in Qianzhi Company and Qianhui Company; and
3. The construction of the wind-power projects of Qianzhi Company and Qianhui Company were completed, with power grid connected, and had commenced power generation at full capacity by 31 December 2020.

As at the date of this announcement, all the conditions precedent above have been fulfilled.

Capital Contribution:

Within 10 days upon completion of the equity transfers of Qianzhi Company and Qianhui Company, the Purchaser shall make cash capital contribution of RMB189,183,100 and RMB104,376,900 to Qianzhi Company and Qianhui Company, respectively.

Completion:

Upon completion of the equity transfers and capital contributions, the registered and fully paid capital of Qianzhi Company and Qianhui Company will be RMB479,183,100 and RMB264,376,900, respectively. Both Qianzhi Company and Qianhui Company will be wholly-owned by the Purchaser and wholly-owned subsidiaries of the Company and be included in the Company's consolidated financial statements.

As at the date of this announcement, the equity transfers and capital contributions under Investment Agreement I were completed.

<u>INVESTMENT AGREEMENT II</u>

Date: 26 March 2021

Parties: the Purchaser;
Vendors A and B; and
Qianxin Company

Equity Transfer:

As at the date of this announcement, Qianxin Company has a registered and fully paid capital of RMB100,000,000 It is owned as to 98.5% and 1.5% by Vendors A and B, respectively.

Vendors A and B agreed to transfer their respective interests in Qianxin Company to the Purchaser at the consideration of RMB147,750,000 and RMB2,250,000 respectively.

Within 5 working days upon fulfillment of all the conditions precedent in Investment Agreement II, Vendor A shall assist Qianxin Company to deal with the business registration procedures of the aforesaid equity transfer, and the Purchaser shall pay the consideration by bank transfer within 5 working days from the date when the parties having commenced the business registration procedures. The conditions precedent under Investment Agreement II principally include:

1. Investment Agreement II having been signed by the parties and become effective; and
2. The Purchaser and the Vendors having reached an agreement with the creditor of Qianxin Company, and completed the release of the pledge of equity interests in Qianxin Company.

As at the date of this announcement, condition precedent 1 has been fulfilled whilst condition precedent 2 has not been fulfilled.

Capital Contribution:

Within 10 days upon completion of the equity transfer of Qianxin Company, the Purchaser shall make cash capital contribution of RMB121,680,000 to Qianxin Company (among which RMB81,120,000 shall be the registered capital, and RMB40,560,000 shall be the capital reserve).

Completion:

Upon completion of the equity transfer and capital contribution, the registered and fully paid capital of Qianxin Company will be RMB181,120,000. Qianxin Company will be wholly-owned by the Purchaser and a wholly-owned subsidiary of the Company and be included in the Company's consolidated financial statements.

Determination basis of the Considerations and Capital Contributions

The aforesaid amounts of the considerations and capital contributions of each of the above target companies were determined by the parties after arm's length negotiation and based on normal commercial terms.

In determining the respective considerations of each of the target companies, the Company has comprehensively considered the development prospects of the wind power industry, the wind power resources, the approved on-grid electricity price, the construction and operation status of each target company, and refer to the valuation report prepared by Carea Assets on each target company as the major consideration factor in the negotiation of the considerations. Carea Assets assessed the target companies with the base date of 30 September 2020.

The valuations of both Qianzhi Company and Qianhui Company have adopted asset based approach, and the value of the entire equity of Qianzhi Company and Qianhui Company as at the valuation base date is RMB290,099,900 and RMB160,053,800, respectively.

The valuation of Qianxin Company has adopted income approach (constitutes a profit forecast pursuant to Rule 14.61 of the Listing Rules). The value of the entire equity of Qianxin Company as at the valuation base date is RMB164,006,200. Please refer to the section headed "Valuation on Qianxin Company" below for the assumptions of the profit forecast.

Asset-based approach assesses the value of equity owned by the shareholders of the subject under valuation with its book assets and liabilities, and the market value of its identifiable off-balance sheet assets. It cannot include values of off-balance sheet and unidentifiable assets such as human resources, customer resources, unique profits and management models, and goodwill, which means the valuation result of the asset-based approach cannot cover the value of all the assets of the subject. Besides, asset-based approach takes the re-acquisition cost of the subject's assets as the starting point, which may neglect the overall profitability of the subject. Income approach takes the perspective of the future development of the subject, makes estimation based on a series of hypothetical models, and then comprehensively evaluates the value of the shareholders' equity of the subject under valuation. The valuation using income approach has taken into account whether each assets and liabilities are reasonably and fully utilized by the subject in its future operation, and also considered whether the combination of assets and liabilities has played its due role in the subject's future operations.

As at the valuation base date on 30 September 2020, the construction of the wind power projects of both Qianzhi Company and Qianhui Company had not completed and thus the estimation of certain important data such as income from power generation, subsidy, operation cost and construction costs would mostly rely on assumptions and become relatively more uncertain. As such, the valuation results by using asset-based approach will be more qualitative than using income approach. Therefore, asset-based approach was adopted for the valuation of the equity value of each of Qianzhi Company and Qianhui Company. On the other hand, since the project of Qianxin Company was completed and connected with power grid and had commenced operation since 2015, the estimation based on its important data such as income and costs is relatively more reliable. Therefore, income approach was adopted for the valuation of the equity value of Qianxin Company.

In determining the amount of capital contributions in each of the target companies, the Company has comprehensively considered the future capital expenditure, financing costs of each target companies, and the overall financial plan of the Company as the major consideration factors in the negotiation of the capital contributions.

The considerations and capital contributions to be paid by the Purchaser under the two Investment Agreements will be financed by the internal resources and/or borrowings of the Group.

INFORMATION OF THE TARGET COMPANIES

Each of the target companies is a limited company incorporated in the PRC which principally engages in wind power generation business in Xinjiang Uygur Autonomous Region, the PRC.

As at the date of Investment Agreement, the basic information of each target companies is as follows:

	Shareholding Structure	Operating project and status
Qianzhi Company	Vendor A (100%)	150MW wind power project of Qianzhi Changji Mulei Laojunmiao Wind Power Plant (乾智昌吉木壘老君廟風電場) with an actual installed capacity of 149.5MW. It has completed construction and connected with power grid in December 2020. Its operation period lasts till December 2040, and its on-grid electricity price is RMB0.49/kWh (including the benchmark price and subsidy to the electricity price)
Qianhui Company	Vendor A (100%)	100MW wind power project of Qianhui Changji Mulei Laojunmiao Wind Power Plant (乾慧昌吉木壘老君廟風電場) which has completed construction and connected with power grid in December 2020. Its operation period lasts till December 2040, and its on-grid electricity price is RMB0.49/kWh (including the benchmark price and subsidy to the electricity price)
Qianxin Company	Vendor A (98.5%) Vendor B (1.5%)	49.5 MW wind power project of phase 1 of Qianxin Changji Mulei Laojunmiao Wind Power Plant (乾新昌吉木壘老君廟風電場一期), which has completed construction and connected with power grid in November 2015. Its operation period lasts till April 2036, and its on-grid electricity price is RMB0.51/kWh (including the benchmark price and subsidy to the electricity price)

The tables below set out the financial information of each of the target companies for the 2 years ended 31 December 2019 and 9 months ended 30 September 2020 prepared in accordance with the PRC Accounting Standards for Business Enterprises:

Qianzhi Company

Currency: RMB '000

	For the year ended 31 Dec 2018 *(unaudited)*	**For the year ended 31 Dec 2019** *(audited)*	**For the 9 months ended 30 Sep 2020** *(audited)*
Net profit/(loss) (before tax)	0	0	(95)
Net profit/(loss) (after tax)	0	0	(95)
	As at 31 Dec 2018 *(unaudited)*	**As at 31 Dec 2019** *(audited)*	**As at 30 Sep 2020** *(audited)*
Net assets/(liabilities)	(2)	99,998	289,903

Qianhui Company

Currency: RMB '000

	For the year ended 31 Dec 2018 *(unaudited)*	**For the year ended 31 Dec 2019** *(audited)*	**For the 9 months ended 30 Sep 2020** *(audited)*
Net profit/(loss) (before tax)	0	1	(1)
Net profit/(loss) (after tax)	0	1	(1)
	As at 31 Dec 2018 *(unaudited)*	**As at 31 Dec 2019** *(audited)*	**As at 30 Sep 2020** *(audited)*
Net assets/(liabilities)	(1)	100,000	160,000

Qianxin Company

Currency: RMB '000

	For the year ended 31 Dec 2018 *(unaudited)*	For the year ended 31 Dec 2019 *(audited)*	For the 9 months ended 30 Sep 2020 *(audited)*
Net profit (before tax)	6,409	6,873	21,624
Net profit (after tax)	6,409	7,768	20,340
	As at 31 Dec 2018 *(unaudited)*	**As at 31 Dec 2019** *(audited)*	**As at 30 Sep 2020** *(audited)*
Net assets	48,193	108,658	128,997

VALUATION ON QIANXIN COMPANY

The Company has appointed Carea Assets to carry out the valuation of the whole equity interests in Qianxin Company. The valuation has adopted income approach with the base date on 30 September 2020. 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) Pre-conditions assumptions

1. Fair trade assumption: assuming the subject under valuation is already in the process of trading, and the valuer simulates the market for valuation based on the trading conditions of the subject and other principles of fairness.

2. Open market assumption: assuming the subject under valuation is in a fully competitive and comprehensive market (regional, national or international market), and the exchange value of the subject is subject to market mechanisms and determined by market conditions instead of the transaction price in individual transactions.

3. Continuing operation assumption: assuming the unit under valuation (the assets of the subject under valuation) continues to operate according to its current model, scale, frequency, environment, etc. This assumption not only sets the survival status of the subject under valuation, but also sets the market conditions or market environment faced by the subject under valuation.

(II) Normal conditions assumptions

1. Assuming the current relevant laws and regulations, industry policies, and macroeconomic environment of the country and region (the area involved in the business operations of unit under valuation) have not changed significantly from the valuation base date, and there is no material change in the political, economic and social environment in the regions where the parties of the subject transaction located.

2. Assuming the fiscal and monetary policies of the regions involved in the business operations of the unit under valuation, as well as the relevant interest rates, exchange rates, tax bases and tax rates, and policy levies, etc, have not undergone major changes.

3. Assuming there is no force majeure and unforeseen factors which will have a material adverse effect on the continuing operation of the unit under valuation.

(III) Special conditions assumptions

1. Assuming based on the existing management method (model) and management level of the unit under valuation, its business scope (operation scope) and operation method are basically consistent with the current ones, and the future development trend of its business is basically consistent with the development trend of the industry as at the valuation base date.

2. Assuming the manager of the unit under valuation is responsible, and its management is capable of taking up their positions and performing their duties.

3. Assuming the data (basic data, financial data, operating data, forecast data, etc.) provided by the Company and the unit under valuation is true, accurate and complete, and all relevant material matters have been fully disclosed.

4. Assuming the unit under valuation fully complies with all relevant laws and regulations in force.

5. Assuming the business scope, business model, product structure, decision-making procedures of the unit under valuation are basically consistent based on its current management methods and management levels.

6. Assuming the income of the unit under valuation are even in each year, and the time of realizing its annual income takes place in the middle point of the each year.

Based on the above assumptions, value of the whole equity interests in Qianxin Company as at the valuation base date of 30 September 2020 was RMB164,006,200.

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 Carea Assets on which the valuation is based has been reviewed by KPMG Huazhen LLP, the reporting accountants of the Company. The letter from the Board and the letter from KPMG Huazhen LLP are included in Appendices I and II to this announcement, respectively.

INFORMATION OF THE PARTIES

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.

The Purchaser is Shenzhen Expressway (Guangdong) New Energy Investment Co., Ltd. (深高速(廣東)新能源投資有限公司), a limited company incorporated in the PRC and wholly-owned by the Company which principally engages in the investment, construction and management of clean energy projects.

The Vendors

Vendor A is Wiscom System Co., Ltd. (江蘇金智科技股份有限公司), a joint stock limited company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange. It principally engages in the application of automation, informatization, and smart technology in the field of smart energy and smart cities.

The controlling shareholder of Vendor A is Jiangsu Jinzhi Group Co., Ltd. (江蘇金智集團有限公司), a limited company incorporated in the PRC which principally engages in the investment and management of high-tech industry, risk investment, industrial investment, etc. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, its ultimate beneficial owner are five natural persons include Mr. Zhu Hua Ming, Mr. He An Ying, Mr. Xu Bing, Mr. Ye Liu Jin and Mr. Ding Xiao Yi, who hold 33.82% equity interests of Jiangsu Jinzhi Group Co., Ltd. in total. Among the above five actual controllers, Mr. Zhu Hua Ming is the Chairman of Jiangsu Jinzhi Group Co., Ltd., Mr. He An Ying is the Chairman of Vendor A, Mr. Xu Bing is the Director of Jiangsu Jinzhi Group Co., Ltd., Mr. Ding Xiao Yi is the Chairman of the Supervisory Committee of Jiangsu Jinzhi Group Co., Ltd., and Mr. Ye Liu Jin is the Executive Director of the target company.

Vendor B is Beijing Tianrui Bofeng Electricity Engineering Technology Co., Ltd. (北京天睿博豐電力工程科技有限公司), a limited company incorporated in the PRC which principally engages in engineering technology consultation, project investment, technology promotion services, sales of machinery and equipment, etc. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, its ultimate beneficial owner is Mr. Zhao Hai Tao, a PRC citizen and the Executive Director and General Manager of Vendor B.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of the Vendors, Qianxin Company and their respective ultimate beneficial owner is a third party independent of the Company and its connected persons as at the date of this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE INVESTEMENT AGREEMENTS

The principal businesses of the Group can be categorized into the transportation infrastructure business and the general-environmental protection business. Wind power (clean energy) is a sub-sector under the general-environmental protection business of the Group which is supported by national policies and has broad market prospects. Qianzhi Company, Qianhui Company and Qianxin Company are principally engaged in the investment, operation and management of wind power farm in Xinjiang Uygur Autonomous Region. Qianzhi Company, Qianhui Company and Qianxin Company have ample wind power resources and relatively stronger comparative advantages in the approved on-grid electricity price, which are transmitted to the East China power grid for consumption through Zhundong-Southern Anhui ultra high voltage DC transmission channel. The principal business of each of the said companies falls within the scope of the Group’s principal business. Therefore, investment in such companies can broaden the sources of operation revenue and profit base of the Group, which is beneficial to the Group’s expansion of its wind power business scale, realization of the Group’s strategic goals and sustainable development. Entering into the two Investment Agreements and carrying out the transactions thereunder will effectively develop the Group's general-environmental protection industry, which is in line with the Group's development strategy and overall interests.

The Directors of the Company consider the terms in Investment Agreements I & II are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the acquisition transactions under Investment Agreements I & II took place within 12 months period and such transactions are both conducted with Vendor A, the Company shall aggregate the said transactions (including the acquisition transactions and the capital contribution transactions under Investment Agreements) pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios of the transactions under Investment Agreements I & II (after aggregation) are more than 5% but all less than 25%, the transactions under Investment Agreements I & II are subject to the reporting and announcement requirements but exempted from 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:

Name	**Qualification**
Carea Assets	an independent qualified valuer in the PRC engaged in valuation
KPMG Huazhen LLP	Certified Public Accountant in the PRC

To the best of knowledge, information and belief of the Directors, having made all reasonable enquiries, each of Carea Assets and KPMG Huazhen LLP is an independent third party of the Company.

As at the date of this announcement, none of Carea Assets and KPMG Huazhen LLP 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 Carea Assets and KPMG Huazhen LLP 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

"Investment Agreement(s)"	Investment Agreement I and/or Investment Agreement II
"Investment Agreement I"	the equity transfer and capital increase agreement dated 25 January 2021 entered into among the Purchaser, Vendor A, controlling shareholder of Vendor A, Qianzhi Company and Qianhui Company
"Investment Agreement II"	the equity transfer and capital increase agreement dated 26 March 2021 entered into among the Purchaser, Vendors A and B, and Qianxin Company
"Board"	the board of directors of the Company
"Carea Assets"	Carea Assets Appraisal Co., Ltd., an independent valuer in the PRC with the qualifications for assets valuation
"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
"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
"PRC"	the People's Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
"Purchaser"	Shenzhen Expressway (Guangdong) New Energy Investment Co., Ltd. (深高速（廣東）新能源投資有限公司), a limited company incorporated in the PRC which is wholly-owned by the Company
"RMB"	Renminbi, the lawful currency of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Qianzhi Company"	Mulei County Qianzhi Energy Development Co., Ltd. (木壘縣乾智能源開發有限公司), a limited company incorporated in the PRC and was wholly-owned by Vendor A as at the date of Investment Agreement I

"Qianhui Company"	Mulei County Qianhui Energy Development Co., Ltd. (木壘縣乾慧能源開發有限公司), a limited company incorporated in the PRC and was wholly-owned by Vendor A as at the date of Investment Agreement I
"Qianxin Company"	Mulei County Qianxin Energy Development Co., Ltd. (木壘縣乾新能源開發有限公司), a limited company incorporated in the PRC and is owned as to 98.5% and 1.5% by Vendors A and B, respectively, as at the date of this announcement
"Vendor A"	Wiscom System Co., Ltd. (江蘇金智科技股份有限公司), a joint stock limited company incorporated in the PRC whose shares are listed on the Shenzhen Stock Exchange
"controlling shareholder of Vendor A"	Jiangsu Jinzhi Group Company Limited (江蘇金智集團有限公司), a limited company incorporated in the PRC and the controlling shareholder of Vendor A
"Vendor B"	Beijing Tianrui Bofeng Electricity Engineering Technology Co., L. (北京天睿博豐電力工程科技有限公司), a limited company incorporated in the PRC

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, 26 March 2021

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. WANG Zeng Jin (Executive Director), Mr. WEN Liang (Executive Director), Mr. DAI Jing Ming (Non-executive Director), Ms. LI Xiao Yan (Non-executive Director), Ms. CHEN Hai Shan (Non-executive Director), Ms. CHEN Xiao Lu (Independent non-executive Director), Mr. BAI Hua (Independent non-executive Director), Mr. LI Fei Long (Independent non-executive Director).

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

26 March 2021

Listing Division
The Stock Exchange of Hong Kong Limited
12/F, Two Exchange Square
8 Connaught Place
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 26 March 2021, which mentioned the valuation (the "Valuation") carried out by Carea Assets Appraisal Co., Ltd. ("Carea Assets") on the value of the whole equity interests in Mulei County Qianxin Energy Development Co., Ltd..

We have reviewed the Valuation for which Carea Assets is responsible, and discuss with Carea Assets on relevant matters (including the part of bases and assumptions upon which the Valuation has been prepared). We have also considered the letter from the reporting accountants, KPMG Huazhen LLP dated 26 March 2021 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 the Company's reporting accountants, KPMG Huazhen LLP, for the purpose of inclusion in this announcement.

KPMG

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CALCULATIONS OF DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF MULEI COUNTY QIANXIN ENERGY DEVELOPMENT CO., LTD.

毕马威华振专字第2100480号

TO THE BOARD OF DIRECTORS OF SHENZHEN EXPRESSWAY COMPANY LIMITED

We have completed our assurance engagement to report on the calculations of the discounted future cash flows on which the business valuation (the "Valuation") dated 15 January 2021 prepared by CAREA Assets Appraisal Co., Ltd. in respect of the appraisal of the fair value of the 100% equity interests in Mulei County Qianxin Energy Development Co., Ltd. (the "Target Company") is based. The Valuation is set out in the announcement of Shenzhen Expressway Company Limited (the "Company") dated 26 March 2021 in connection with the acquisition of 100% equity interests in the Target Company by the Company. The Valuation based on the discounted future cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' Responsibility for the Discounted Future Cash Flows

The directors of the Company are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the directors and as set in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.62(2) of the Listing Rules, on the calculations of the discounted future cash flows on which the Valuation is based. 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, arising out of or in connection with our work.

We conducted our work in accordance with the China Standard on Other Assurance Engagements No.3101 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance as to whether the discounted future cash flows, so far as the calculations are concerned, has been properly compiled in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We reviewed the arithmetical calculations and the compilation of the discounted future cash flows in accordance with the bases and assumptions.

We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Company or an expression of an audit or review opinion on the Valuation. Our work does not involve evaluating whether the discounted future cash flows involve the adoption of accounting policies.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period.

Opinion

In our opinion, based on the foregoing, so far as the calculations are concerned, the discounted future cash flows, has been properly compiled in all material respects in accordance with the bases and assumptions made by the directors of the Company as set out in the Valuation.

KPMG Huazhen LLP

Certified Public Accountant: Wu Huihuang

Beijing, the People's Republic of China
26 March 2021

Certified Public Accountant: Tao Dejing