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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shenzhen Expressway Corporation Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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深圳高速公路集團股份有限公司
SHENZHEN EXPRESSWAY CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 00548)

**TERMINATION OF ABSORPTION AND MERGER OF
A WHOLLY-OWNED SUBSIDIARY**

The first extraordinary general meeting 2022 (“**EGM**”) of Shenzhen Expressway Corporation Limited (“**Company**”) is to be held at the conference room of the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC at 10:00 a.m. on Thursday, 18 August 2022. The notice of the EGM (“**EGM Notice**”) is set out on pages 7 to 8 of this circular. The proxy form (“**Proxy Form**”) of the EGM is enclosed hereto.

Whether or not you intend to attend the EGM, you are requested to complete the Proxy Form in accordance with the instructions printed thereon and return the same to the registrar of H shares of the Company, Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (for the holders of H shares) or to the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC (for the holders of A shares) as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM. Completion and return of the Proxy Form will not preclude you from attending and voting in person at the EGM or any adjourned meeting(s) should you so wish.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“A Share(s)”	Renminbi-denominated ordinary shares of the Company which were issued in the PRC and subscribed in RMB and are listed on the Shanghai Stock Exchange
“Articles”	the articles of association of the Company
“Bay Area Development”	Shenzhen Investment Holdings Bay Area Development Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00737), and is a non-wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Shenzhen Expressway Corporation 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
“Coastal Company”	Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司), a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company
“Director(s)”	the director(s) of the Company
“EGM”	the first extraordinary general meeting 2022 of the Company to be held at the conference room of the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC, at 10:00 a.m., Thursday, 18 August 2022, or any adjournment thereof
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jihe East Company”	Shenzhen Airport-Heao Expressway (Eastern Section) Company Limited (深圳機荷高速公路東段有限公司), formerly a limited company incorporated in the PRC and a wholly-owned subsidiary of the Company, which has been absorbed and merged by the Company

DEFINITIONS

“Latest Practicable Date”	1 August 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

Notes:

In this circular, certain English names of Chinese 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.

LETTER FROM THE BOARD



深圳高速公路集團股份有限公司 SHENZHEN EXPRESSWAY CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

Executive Directors:

Mr. HU Wei (Chairman)
Mr. LIAO Xiang Wen (President)
Mr. WANG Zeng Jin
Mr. WEN Liang

Legal Address:

Fumin Toll Station,
Fucheng Street,
Longhua District,
Shenzhen, PRC

Non-executive Directors:

Mr. DAI Jing Ming
Ms. LI Xiao Yan
Mr. LÜ Da Wei

Place of Business in PRC:

46th Floor, Hanking Center Tower,
Shennan Avenue, Nanshan District,
Shenzhen, PRC

Independent Non-executive Directors:

Mr. BAI Hua
Mr. LI Fei Long
Mr. MIAO Jun
Mr. XU Hua Xiang

Principal Place of Business in Hong Kong:

Room 1603, 16/F, China Building,
29 Queen's Road Central,
Central, Hong Kong

3 August 2022

To the Shareholders

Dear Sirs or Madams,

TERMINATION OF ABSORPTION AND MERGER OF A WHOLLY-OWNED SUBSIDIARY

INTRODUCTION

The purpose of this circular is to provide you with details of the proposed termination of the absorption and merger of Coastal Company.

TERMINATION OF ABSORPTION AND MERGER OF A WHOLLY-OWNED SUBSIDIARY

Reference is made to the Company's circular dated 4 September 2020 in relation to, among others, the Company's proposed absorption and merger of its two wholly-owned subsidiaries, Jihe East Company and

LETTER FROM THE BOARD

Coastal Company for the purpose of reducing its management level, giving full play to the economic efficiency of asset integration, and satisfying the needs of the overall renovation and expansion of Jihe Expressway. The resolution in relation to the absorption and merger of the aforesaid two subsidiaries were approved in the second extraordinary general meeting 2020 of the Company convened on 29 September 2020. As at the Latest Practicable Date, the Company has completed the absorption and merger of Jihe East Company, while the absorption and merger of Coastal Company has not proceeded. The Company proposes to terminate the absorption and merger of Coastal Company.

(1) Reasons for termination of the absorption and merger of Coastal Company

The absorption and merger of Jihe East Company and Coastal Company by the Company as approved in the second extraordinary general meeting 2020 was proposed for the purpose and with an aim to reduce its management level, giving full play to the economic efficiency of asset integration, and satisfying the needs of the overall renovation and expansion of Jihe Expressway. In recent years, the Company has undergone the following changes:

1. The Company completed the absorption and merger of Jihe East Company in 2021, and has operated and managed the assets of Jihe East and Jihe West as a whole thereafter, which resulted in reduction of the management levels of Jihe East assets, achieved the goals of asset integration and cost reduction, enhanced efficiency, and at the same time met the needs of the upcoming overall reconstruction and expansion of Jihe Expressway.
2. The Company is in the course of integrating various expressway assets in accordance with the requirements under the “14th Five Year” (2021-2025) Development Strategy Plan” approved in its general meeting held in December 2021. The Company completed the acquisition of 71.83% controlling interest in Bay Area Development in January 2022. Bay Area Development is a company listed on the Stock Exchange which owns 45% interest in Guangzhou-Shenzhen Expressway (“**Guangshen Expressway**”). Since the position and direction of Guangshen Expressway is relatively near to Coastal Expressway (Shenzhen Section), the Company intends to procure Bay Area Development to obtain 51% controlling interest in Coastal Company (the “**Assets Integration**”) so as to coordinate the overall management of adjacent road sections through the Assets Integration, further exert benefits from such synergy, and to achieve the goals of cost reduction, efficiency enhancement and precise management.
3. Through the Assets Integration, the Company can recover funds from Coastal Expressway for its own business development whilst maintain its controlling stake in Coastal Expressway (Shenzhen Section). At the same time, by enriching the principal business of Bay Area Development, it can better leverage its role as an investment and financing platform as a company listed on the Stock Exchange, which allows the Group to further expand its financing channels and is in line with the overall interests of the Company and its shareholders.
4. The Company has entered into a memorandum of understanding with Bay Area Development in respect of the aforesaid matter in March 2022, details of which are set out in the Company’s announcement dated 7 March 2022. As at the Latest Practicable Date, the Company and Bay Area Development have not entered into any legally binding formal agreement on the aforesaid matter.

LETTER FROM THE BOARD

It is believed that the goals proposed to be achieved by the absorption and merger of the wholly-owned subsidiaries, Jihe East Company and Coastal Company, as approved in the Company's second extraordinary general meeting 2020 can still be achieved based on the above-stated actual situations and the corresponding arrangements. In order to better integrate the Group's expressway assets, give full play to the synergistic advantages of internal resources, realize the goals of the "14th Five Year (2021-2025) Development Strategy Plan", and to promote the long-term and healthy development of the Company, the Board proposes to terminate the absorption and merger of Coastal Company.

(2) Information of Coastal Company

Coastal Company, is a limited company incorporated in the PRC wholly-owned by the Company. It principally engages in construction and operation of the Shenzhen section of Guangshen Coastal Expressway.

As at 31 December 2021, Coastal Company's total assets was RMB7,570.14 million and the net assets was RMB6,480.29 million. For year 2021, its revenue was RMB614.43 million and its net profit was RMB201.26 million. The aforesaid financial figures have been audited.

Pursuant to the PRC Company Law and the Articles, the proposed termination of the absorption and merger of Coastal Company by the Company shall be subject to the approval of the Shareholders by way of special resolution at the EGM. The termination of the absorption and merger of Coastal Company does not constitute a notifiable or connected transaction of the Company under Chapter 14 and Chapter 14A of the Listing Rules.

EGM

The Company will convene the EGM at the conference room of the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC at 10:00 a.m. Thursday, 18 August 2022 to consider and, if thought fit, to approve termination of the absorption and merger of Coastal Company by special resolution. Pursuant to Rule 13.39(4) of the Listing Rules and the Articles, voting at the EGM will be taken by poll.

Whether or not you intend to attend the EGM, you are requested to complete the Proxy Form in accordance with the instructions printed thereon and return the same to the registrar of H Shares of the Company, Hong Kong Registrars Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shareholders) or to the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC (for A Shareholders) as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM.

Completion and return of the Proxy Form will not preclude you from attending and voting in person at the EGM or any adjourned meeting(s) should you so wish.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the termination of the absorption and merger of Coastal Company is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution on the aforesaid matters to be proposed at the EGM.

Yours faithfully,
By Order of the Board of
Shenzhen Expressway Corporation Limited
HU Wei
Chairman

NOTICE OF THE EGM



深圳高速公路集團股份有限公司 SHENZHEN EXPRESSWAY CORPORATION LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00548)

NOTICE OF THE FIRST EXTRAORDINARY GENERAL MEETING 2022

Notice is hereby given that the First Extraordinary General Meeting 2022 (the “EGM”) of Shenzhen Expressway Company Limited (the “**Company**”) will be held at the conference room of the Company on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC at 10:00 a.m. on Thursday, 18 August 2022 to consider and, if thought fit, pass the following resolution:

SPECIAL RESOLUTION

1. To consider and approve the resolution in relation to the termination of the absorption and merger of Shenzhen Guangshen Coastal Expressway Investment Company Limited (深圳市廣深沿江高速公路投資有限公司).

By Order of the Board
HU Wei
Chairman

Shenzhen, the PRC, 3 August 2022

Notes:

1. Eligibility for attending the EGM

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 12 August 2022 shall have the right to attend the EGM after complying with the necessary registration procedures.

2. Registration procedures for attending the EGM

Holders of H shares of the Company please note that the register of holders of H shares of the Company will be closed from 15 August 2022 to 18 August 2022 (both days inclusive), during which period no transfer of H shares of the Company will be registered. Holders of H shares of the Company who intend to attend the EGM must deliver their instruments of transfer together with the relevant share certificates to Hong Kong Registrars Limited, the registrar of H shares of the Company, at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on 12 August 2022.

NOTICE OF THE EGM

3. Proxy

- i. Shareholders entitled to attend and vote at the EGM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.
- ii. A proxy should be appointed by written instrument signed by the appointor or his attorney. If the written instrument is signed by the attorney of the appointor, the written authorisation or other authorisation documents of such attorney should be notarised. In order to be valid, for holders of A shares of the Company, the written authorisation or authorisation documents which have been notarised together with the completed proxy form must be delivered to the Company not less than 24 hours before the time of the holding of the EGM. In order to be valid, for holders of H shares of the Company, the above documents must be delivered to Hong Kong Registrars Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, within the same period.
- iii. Shareholder or his proxy should produce identity proof when attending the EGM.

4. Poll

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Articles of Association of the Company, voting at the EGM on the resolution set out in the notice of the EGM will be taken by poll.

5. Other matters

- i. The duration of the EGM is expected not to exceed one day. Shareholders or proxies who attend the EGM shall arrange for transport, food, accommodation and other relevant expenses at their own cost.
- ii. Address of Hong Kong Registrars Limited (for share transfer):
Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
- iii. Address of the Company:
46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC
Postal code: 518057
Tel.: (86) 755 – 8669 8061
Fax: (86) 755 – 8669 8002