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Shenzhen International Holdings Limited
深圳國際控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 00152)



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)

JOINT ANNOUNCEMENT

DEVELOPMENT OF THE PROPOSED SPIN-OFF OF YICHANG EXPRESSWAY AND ITS APPLICATION FOR LISTING ON THE SHANGHAI STOCK EXCHANGE

DEVELOPMENT OF THE PROPOSED SPIN-OFF

The respective board of directors of SZ International and SZ Expressway hereby announce that, SZ International and SZ Expressway have respectively submitted their PN15 applications and waiver applications from strict compliance with the requirement of paragraph 3(f) of PN15 to the Stock Exchange in respect of the potential spin-off arising from the Yichang Expressway REITs (“**the Project**”). The Stock Exchange has on 20 October 2023 confirmed that SZ International and SZ Expressway may proceed with the proposed spin-off and granted the said waivers.

The proposed spin-off, if materialised, will involve disposal of 100% equity interest of SZ International and SZ Expressway in the Project Company, which shall constitute a transaction of SZ International and SZ Expressway under Chapter 14 of the Listing Rules, respectively. It is currently expected that the highest applicable percentage ratio(s) in respect of the disposal of the Project Company for each of SZ International and SZ Expressway may exceed 5% but less than 25%. Therefore, the proposed spin-off may constitute a discloseable transaction for each of SZ International and SZ Expressway and be subject to the announcement requirement under Chapter 14 of the Listing Rules. SZ International and SZ Expressway will make further announcement(s) in relation to the proposed spin-off and the disposal transaction resulting therefrom as and when appropriate in accordance with the requirements of the Listing Rules.

DEVELOPMENT OF THE APPLICATION AND ACCEPTANCE OF THE PROJECT

On 17 November 2023, SZ International and SZ Expressway were notified that the Fund Manager of the Project, E Fund Management Co. Ltd., and the ABS manager, E Fund Asset Management Co. Ltd., submitted formal application materials of the Issuance to the China Securities Regulatory Commission (the “**CSRC**”) and the Shanghai Stock Exchange (the “**SSE**”) on 9 November 2023, and the notifications of acceptance from the CSRC and SSE regarding the aforementioned matters were received on 16 November 2023.

The Issuance is still in the process of application, and its implementation is subject to, among other things, the approval of relevant regulatory authorities and market conditions. There is no assurance that the Issuance will proceed and be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of SZ International and SZ Expressway.

INTRODUCTION

Reference is made to the joint announcement (the “**Announcement**”) of SZ International and SZ Expressway dated 18 August 2023 in relation to SZ Expressway’s intention to carry out the pilot application for Yichang Expressway REITs with the toll highway rights of Yichang Expressway, which is entirely owned by the Project Company (a wholly-owned subsidiary of SZ Expressway), as the underlying infrastructure project. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, it is expected that Yichang Expressway REITs will be listed on the SSE as a closed-end securities investment fund, and the proportion to be participated by SZ Expressway (as the original equity holder) and its related parties under the same control in the strategic placing of the fund units of Yichang Expressway REITs is expected to be 40% (subject to the final subscription proportion to be disclosed in the prospectus of the Issuance). It is expected that the Issuance, if materialized and completed, will constitute a spin-off under Practice Note 15 (“**PN15**”) and a disposal transaction under chapter 14 of the Listing Rules for each of SZ International and SZ Expressway.

DEVELOPMENT OF THE PROPOSED SPIN-OFF

The respective board of directors of SZ International and SZ Expressway hereby announce that, SZ International and SZ Expressway have respectively submitted their PN15 applications and waiver applications from strict compliance with the requirement of Paragraph 3(f) of PN15 to the Stock Exchange in respect of the potential spin-off arising from the Yichang Expressway REITs. The Stock Exchange has on 20 October 2023 confirmed that SZ International and SZ Expressway may proceed with the proposed spin-off and granted the said waivers.

WAIVER FROM STRICT COMPLIANCE WITH PARAGRAPH 3(f) OF PN15

Paragraph 3(f) of PN15 requires that a listed company contemplating a spin-off to have due regard to the interests of its existing shareholders by providing them with an assured entitlement to shares in the spun-off entity, either by way of a distribution in specie of existing shares in the spun-off entity or by way of preferred application in any offering of existing or new shares in the spun-off entity.

Pursuant to the opinion of the PRC legal counsel, Beijing Han Kun Law Offices (the “**PRC Legal Counsel**”), in accordance with the PRC laws, public offering of infrastructure securities investment funds should be implemented through the following ways: (i) strategic placement to original equity holders (i.e. SZ Expressway) or its related parties under common control, as well

as other professional institutional investors; (ii) sale to offline investors; or (iii) public offering to the general public. Offline investors include securities companies, fund management companies, trust companies, financial companies, insurance companies, qualified overseas institutional investors, commercial banks and their wealth management subsidiaries, qualified private fund managers, and other professional institutional investors recognized by the CSRC, as well as national social security funds, basic pension insurance funds, and annuity funds. Pursuant to the PRC laws, apart from the strategic placement to original equity holder or its related parties under common control, and the sale to offline investors in accordance with the laws and regulations, relevant laws and regulations have not granted any right to other specific entities to preferentially subscribe for a specific proportion of any public offering fund units. At the same time, the relevant entities which participated in the subscription of public offering funds must not violate the established principles and procedures and enjoy priority in the subscription over other entities. Therefore, given SZ International and SZ Expressway are unable to ascertain if their respective shareholders are all qualified for strategic placement and the requirements for being offline investors, preferential allocation of fund units of Yichang Expressway REITs to the respective shareholders of SZ International and SZ Expressway is not practically feasible.

In addition, the PRC Legal Counsel also stated that pursuant to the Guidance on Publicly Raised Infrastructure Securities Investment Fund (Pilot Version) (《公開募集基礎設施證券投資基金指引（試行）》), the total proportion of fund units strategically placed with the original equity holder or its related parties under common control must not be less than 20% of the total fund units sold, of which 20% of the total fund units offered shall be held for a period of not less than 60 months from the listing date, while the portion exceeding 20% shall be held for a period of not less than 36 months from the listing date. According to the opinions of the PRC Legal Counsel, SZ Expressway intends to hold more than 20% of the fund units of Yichang Expressway REITs after its listing, and therefore it must comply with the above lock-up period restrictions. According to the current PRC laws and regulations, SZ International and SZ Expressway are unable to transfer or distribute any fund units of Yichang Expressway REITs to their respective shareholders during the said lock-up periods.

After due and careful consideration, the respective board of directors of SZ International and SZ Expressway considers that it is impracticable for SZ International and SZ Expressway to allocate the fund units of the Yichang Expressway REITs to their respective shareholders and comply with paragraph 3(f) of PN15 in connection with the proposed spin-off.

Accordingly, the respective board of directors of SZ International and SZ Expressway has resolved not to provide assured entitlement in respect of the issuance of the Yichang Expressway REITs to their respective shareholders, and considers that the Issuance and the said non-provision of the assured entitlement are fair and reasonable, and in the interest of SZ International and SZ Expressway and their respective shareholders as a whole. SZ International and SZ Expressway have respectively applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirement of paragraph 3(f) of PN15.

The proposed spin-off, if materialised, will involve disposal of 100% equity interest of SZ International and SZ Expressway in the Project Company, which shall constitute a transaction of SZ International and SZ Expressway under Chapter 14 of the Listing Rules, respectively. It is currently expected that the highest applicable percentage ratio(s) in respect of the disposal of the Project Company for each of SZ International and SZ Expressway may exceed 5% but less than 25%. Therefore, the proposed spin-off may constitute a discloseable transaction for each of SZ International and SZ Expressway and be subject to the announcement requirement under Chapter 14 of the Listing Rules. SZ International and SZ Expressway will make further announcement(s) in relation to the proposed spin-off and the disposal transaction resulting therefrom as and when appropriate in accordance with the requirements of the Listing Rules.

DEVELOPMENT OF THE APPLICATION AND ACCEPTANCE OF THE PROJECT

Following the Stock Exchange's grant of consent and waivers in respect of the proposed spin-off of the Yichang Expressway REITs, on 17 November 2023, SZ International and SZ Expressway were notified that the Fund Manager of the Project, E Fund Management Co. Ltd., and the ABS manager, E Fund Asset Management Co. Ltd., submitted formal application materials of the Issuance to the CSRC and the SSE on 9 November 2023, and the notifications of acceptance from the CSRC and SSE regarding the aforementioned matters were received on 16 November 2023.

The Issuance is still in the process of application, and its implementation is subject to, among other things, the approval of relevant regulatory authorities and market conditions. There is no assurance that the Issuance will proceed and be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of SZ International and SZ Expressway.

By Order of the Board
Shenzhen International Holdings Limited
Liu Wangxin
Joint Company Secretary

By Order of the Board
Shenzhen Expressway Corporation Limited
Zhao Gui Ping
Joint Company Secretary

17 November 2023

As at the date of this joint announcement, the board of directors of SZ International consists of Messrs. Li Haitao, Liu Zhengyu, Wang Peihang and Dr. Dai Jingming as executive directors, Dr. Zhou Zhiwei as non-executive director and Mr. Pan Chaojin, Dr. Zeng Zhi and Dr. Wang Guowen as independent non-executive directors.

As at the date of this joint announcement, the directors of SZ Expressway are: 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), Mr. LÜ Da Wei (non-executive director), Mr. BAI Hua (independent non-executive director), Mr. LI Fei Long (independent non-executive director), Mr. MIAO Jun (independent non-executive director) and Mr. XU Hua Xiang (independent non-executive director).