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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

COMMENCEMENT OF APPLICATION FOR ISSUANCE OF YICHANG EXPRESSWAY REITS

This announcement is made by Shenzhen Expressway Corporation Limited (“**SZ Expressway**”), an approximately 51.56%-owned subsidiary of Shenzhen International Holdings Limited (“**SZ International**”), pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This joint announcement is made by SZ International on voluntary basis.

The respective board of directors of SZ International and SZ Expressway hereby inform their shareholders and potential investors that SZ Expressway intends to carry out the pilot application for the real estate investment trust fund (“**Yichang Expressway REITs**”) in the infrastructure field with Hunan Yichang Expressway Development Company Limited (the “**Project Company**”), a wholly-owned subsidiary of SZ Expressway which holds 100% of the toll highway rights of Hunan Yiyang-Changde Expressway and its ancillary facilities (“**Yichang Expressway**”) as the underlying infrastructure project (the proposed listing and issuance of Yichang Expressway REITs is hereinafter referred to as the “**Issuance**”).

INFORMATION ON THE PROJECT COMPANY AND ITS ASSETS UNDER THE ISSUANCE

The Project Company is a wholly-owned subsidiary of SZ Expressway established in the PRC. It is principally engaged in the operation and management of Yichang Expressway. Yichang Expressway is located in Yiyang city and Changde city of Hunan province, the PRC. It is the main road connecting the provincial capital Changsha city and the Changzhutan Economic Zone with the north-western region of Hunan province. It is a dual four-lane expressway with a total length of approximately 73.083km and a designed speed of 100km per hour. The concession period operates until March 2034.

MAJOR PROCEDURES OF THE ISSUANCE

The transaction structure of “Public Infrastructure Fund + Asset-backed Special Scheme + Project Company + Infrastructure Project” is proposed to be implemented in the Issuance, details of which are as follows:

(1) Establishment of Yichang Expressway REITs

SZ Expressway will carry out the pilot application of Yichang Expressway REITs through E Fund Management Co., Ltd. (“**Fund Manager**”), the fund manager, with Yichang Expressway as the infrastructure project. Upon obtaining the approval for registration from the China Securities Regulatory Commission and the Shanghai Stock Exchange (“**SSE**”), the Fund Manager will establish Yichang Expressway REITs, and SZ Expressway will participate in the strategic placing of Yichang Expressway REITs in accordance with the requirements of laws, regulations and regulatory rules.

(2) Establishment of Asset-backed Scheme

SZ Expressway, as the original equity holder, will use 100% of the Project Company’s equity and creditor’s right as the underlying assets, and issue the underlying asset-backed securities through the asset-backed scheme (“**ABS**”) to be established by E Fund Asset Management Co., Ltd., the manager of the ABS. Yichang Expressway REITs will subscribe for the above securities in full.

(3) Transfer of equity interests in the SPV and the Project Company

After the establishment of the ABS, it will acquire 100% equity interests in a special purpose vehicle (“**SPV**”) to be established by SZ Expressway and inject capital into the SPV. SZ Expressway will transfer its 100% equity interest and creditor’s right in the Project Company to the SPV. The SPV will pay the consideration of the equity interest and creditor’s right to SZ Expressway in accordance with the relevant transfer agreement, and Yichang Expressway REITs will ultimately obtain all the operating interests of Yichang Expressway through holding all the units of the ABS.

(4) Operation and management arrangement of Yichang Expressway

SZ Expressway will establish a wholly-owned subsidiary at the location of Yichang Expressway. During the term of the Yichang Expressway REITs, such subsidiary will provide operation and management services as the operation and management institution of Yichang Expressway, and receive operation and management fees on a regular basis. Operation and management arrangement is subject to final regulatory requirements.

INFORMATION ON YICHANG EXPRESSWAY REITS

Fund type	Closed-end Securities Investment Funds
Term of the Fund	Subject to the approved issuance documents
Trading Exchange	SSE
Proportion of funds proposed to be subscribed by SZ Expressway	The proportion of SZ Expressway and its related parties under common control participating in the strategic placing of infrastructure fund units is expected to be 40% (subject to the final subscription proportion to be disclosed in the prospectus)
Fund raising size	To be determined with reference to the asset valuation results and based on the final issuance results
Distribution of income	Over 90% of the amount available for distribution shall be distributed to investors in cash, and at least once a year if the conditions for distribution are met
Investment objective	According to the contract, the Fund shall mainly invest in the ABS with the Project Company as the investment target, and holds all the asset-backed securities of the ABS, so as to indirectly obtain the operating rights of the infrastructure project

Note: The above proposal and information of Yichang Expressway REITs may be refined or adjusted according to the subsequent application and review progress, relevant rules and requirements of regulatory authorities and market conditions.

SZ Expressway is currently preparing the application materials for the Issuance, and plans to submit the application materials to the relevant regulatory authorities upon completion, and then proceed with the registration and listing of the Issuance. The final plan of the Issuance will be determined based on the approval of relevant regulatory authorities.

In addition, the Issuance may constitute a spin-off of SZ Expressway under Practice Note 15 of the Listing Rules and a disposal transaction under Chapter 14 of the Listing Rules. SZ Expressway is required to obtain the approval of the Stock Exchange and comply with the relevant compliance requirements under the Listing Rules in respect of the Issuance.

EFFECTS OF THE ISSUANCE

The Issuance, if implemented and completed, will effectively revitalise the existing highway infrastructure assets, recover the operating investment and realise returns in advance, improve the asset turnover efficiency and enhance the rolling investment capability of SZ Expressway by transferring the mature projects of SZ Expressway with stable cash flow to the Public REITs Fund.

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

18 August 2023

As at the date of this joint announcement, the board of directors of Shenzhen 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).