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深圳高速公路集团股份有限公司

SHENZHEN EXPRESSWAY CORPORATION LIMITED

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

DISCLOSEABLE TRANSACTION ACQUISITION AND CAPITAL CONTRIBUTION IN NANJING WIND POWER - NON-FULFILLMENT OF PERFORMANCE GUARANTEE FOR YEAR 2021

This announcement is made by Shenzhen Expressway Corporation Limited (the "Company") pursuant to Rule 14.36B of the Listing Rules.

Reference is made to the Company's announcement dated 15 March 2019 (the "Announcement") and the Company's 2021 Annual Report (the "2021 AR"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, Environment Company, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with 12 shareholders of Nanjing Wind Power (collectively, "Vendors A"), and another shareholder ("Vendor B") on 15 March 2019. In accordance with the Acquisition Agreement, Environment Company became a 51% owner of Nanjing Wind Power, Vendors A collectively owned 49% equity interest therein and Vendor B ceased to be a shareholder of Nanjing Wind Power upon completion of Environmental Company's acquisition and capital contribution in Nanjing Wind Power. Vendors A undertook that during each of the financial years from 2019 to 2022, the audited financial performance of Nanjing Wind Power should meet with the following targets:

Unit: RMB million

	For the year ended 31 December 2019	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2022
Revenue	450	600	760	950
Net Profit	56	70	88	106

For details of the performance guarantee, please refer to the Company's announcement dated 15 March 2019.

Nanjing Wing Power fulfilled the performance guarantee for 2019 and 2020. As disclosed in the 2021 AR, Nanjing Wing Power had not yet issued its 2021 audited financial report on the date of the 2021 AR, but according to the preliminary audit results of the Company, it was estimated that its net loss in 2021 will be about RMB113 million, failing to fulfill the performance guarantee target for 2021.

The Company further announces that Nanjing Wind Power had already issued its 2021 audited financial report in May 2022, pursuant to which it recorded an audited net loss of approximately RMB115 million for 2021. Accordingly, the Company is of the view that Vendors A should pay a compensation of approximately RMB103.7 million to Environment Company, being 51% of the difference between the guaranteed net profit of Nanjing Wind Power for year 2021 and the corresponding actual net profit, which amounted to RMB203 million.

As at the date of this announcement, Vendors A has not paid the compensation to Environment Company. The Company has been negotiating with Vendors A on the payment arrangement of the compensation. The Company confirmed that there is no change to the terms of the Acquisition Agreement since its execution up to the date of this announcement.

The Company will take appropriate actions (including but not limited to legal action where necessary) based on its negotiation with Vendors A, and will