

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no repres

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but is exempt from the shareholder approval requirements under Chapter 14 of the Listing Rules.

SZ Expressway

For SZ Expressway, since all applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Construction Contract are lower than 5%, SZ Expressway is exempt from the of the Listing Rules.

THE CONSTRUCTION CONTRACT

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CR

No.4 and SZ Municipal on 25 January 2024. The principal terms of the Construction Contract are set out as follows:

Date 25 January 2024

Parties (i) Outer Ring Company (as contracting party); and
(ii) the consortium formed by CR No.4 and SZ Municipal (as contractors).

Subject matters The Contractors agree to undertake the construction for Section K80+278 to K82+740 of Outer Ring Phase III (Kengzi to Dapeng), and the construction works shall include roadbed, bridges, culverts, landscaping, environmental protection, management of facilities and buildings for service and maintenance, road, river and canal alterations, and pipeline relocation, etc.

Signing Contract fee RMB 840,912,606

The current signing contract fee is calculated with reference to the estimated quantities and unit prices (or lump sum fees) listed in the priced bill of quantities. During the actual implementation of the project, adjustments may be made due to factors such as fluctuations in material prices, alteration of the project, delays in the construction schedule, etc. Any alteration of the project will be carried out in accordance with the relevant regulations of the Outer Ring Company and industry regulatory authorities.

As of the date of this joint announcement, the respective board of directors of SZ International and SZ Expressway were not aware of any matters that may significantly impact the contract fee through such adjustments.

Payment of contract fee	<p>Outer Ring Company shall make advance payments to the Contractors for the purchase of materials, engineering equipment and construction equipment; construction of temporary facilities; and recruitment of construction teams. The advance payment amount amounts to approximately 10% of the contract fee.</p> <p>From the month following the commencement of the project to the month of issuance of the completion certificate, the parties will assess the progress of the project on a monthly basis. The Contractors should submit application for progress payment together with corresponding supporting documents to the supervisor. The payment should be made by Outer Ring Company upon the supervisor verification and Outer Ring Company s review and approval.</p> <p>After completion of the construction and acceptance inspection, the Contractors should submit application for the final payment together with corresponding supporting documents to the supervisor. Upon verification by the supervisor and Outer Ring Company having confirmed there is no concern with the review, Outer Ring Company should pay the final payment.</p>
Construction Period	<p>36 months from the designated commencement date instructed by the supervisor appointed by Outer Ring Company. In the event of abnormally or severe weather conditions, Outer Ring Company requests for increase of the subject work or other circumstances agreed by the parties, the Contractors may request for extension of the construction period.</p>
Performance guarantee and quality assurance	<p>The Contractors, prior to signing the Construction Contract, have provided 10% of the contract fee in the form of cash or a letter of guarantee as performance guarantee. The Contractors guaranteed that the performance guarantee shall remain valid until Outer Ring Company issues the completion and acceptance certificate of the construction and the Contractors having paid the quality assurance deposit as stipulated in the contracts. Outer Ring Company shall refund the performance guarantee to the Contractors after completion of the project, the relevant acceptance inspection, and receipt of the quality assurance deposit from the Contractors.</p> <p>The amount of the quality assurance deposit is 3% of the contract fee. It is intended to ensure the fulfillment of the Contractors obligation to rectify any defects during the defect liability period (2 years from the actual completion date). After the expiration of the defect liability period and the issuance of the completion settlement certificate by Outer Ring Company, the quality assurance deposit will be refunded to the Contractors by Outer Ring Company.</p>
Effectiveness	<p>The Construction Contract shall become effective upon the Contractors having provided the performance guarantee and the parties having signed and stamped the contracts. They will be expired upon completion of the project and the related acceptance inspection, and upon issuance of the defect liability termination certificate after expiration of the defect liability period.</p>



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To the best of the knowledge, information and belief of the respective directors of SZ International and SZ Expressway, having made all reasonable enquiries, each of CR No.4 and its ultimate beneficial owner is a party independent of SZ International, SZ Expressway and their connected persons. Although -

the ultimate beneficial owner of SZ International, SZ Expressway and SZ Municipal, taking into account that SZ International and SZ Expressway are not connected with SZ Municipal save for the aforesaid, each of SZ Municipal and its ultimate beneficial owner is independent of SZ International, SZ Expressway and their connected persons pursuant to Rule 14A.10 of the Listing Rules.

LISTING RULES IMPLICATIONS

SZ International

For SZ International, the signing of the Construction Contract by its indirect non-wholly owned subsidiary, Outer Ring Company, constitutes a transaction for SZ International under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules exceeds 5% but are all less than 25%, the signing of the Construction Contract constitutes a disclosable transaction for SZ International. SZ International is therefore required to comply with reporting and announcement requirements but is exempt from the shareholder approval requirements under Chapter 14 of the Listing Rules.

SZ Expressway

For SZ Expressway, since all applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Construction Contract are lower than 5%, SZ Expressway is exempt

of the Listing Rules. This announcement is made by SZ Expressway on voluntary basis.

25 January

** For identification purposes only*

Joint Company Secretary

Joint Company Secretary

25 January 2024

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, 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 nonexecutive director) and Mr. XU Hua Xiang (Independent non-executive director).