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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 and the accompanying form of proxy 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)**

**(1) GENERAL MANDATE TO ISSUE DEBENTURES;**  
**(2) PROPOSED REVISION OF THE MANAGEMENT RULES FOR**  
**SELECTION OF THE GROUP'S ANNUAL AUDIT ACCOUNTANTS' FIRM;**  
**AND**  
**(3) NOTICE OF THE 2022 ANNUAL GENERAL MEETING**

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The 2022 annual general meeting (the “**AGM**”) of Shenzhen Expressway Corporation 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 People's Republic of China at 10:00 a.m. on Tuesday, 16 May 2023. The notice of the AGM is set out on pages 17 to 20 of this circular. The proxy form (the “**Proxy Form**”) of the AGM is enclosed hereto.

Whether or not you intend to attend the AGM, 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 Floor 17M, 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 People's Republic of China (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 AGM. Completion and return of the Proxy Form will not preclude you from attending and voting in person at the AGM or any adjourned meeting(s) should you so wish.

25 April 2023

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## DEFINITIONS

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

“A Shareholders”	holders of A Shares
“A Shares”	domestic shares with nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the main board of the SSE and traded in RMB (stock code: 600548)
“AGM”	the 2022 annual general meeting to be convened by the Company 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 Tuesday, 16 May 2023
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Board”	the board of directors of the Company
“business day(s)”	a day on which commercial banks in Hong Kong are generally open for business (excluding Saturday, Sunday, public holiday or any day on which a tropical cyclone warning No.8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between the hours of 9:00 a.m. and 5:00 p.m.)
“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 main board of the Stock Exchange and the A Shares of which are listed on the main board of the SSE
“Debentures”	the debentures that may be issued by the Company pursuant to the general mandate proposed to be obtained from the Shareholders at the AGM
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“H Shareholders”	holders of H Shares

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## DEFINITIONS

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“H Shares”	the overseas listed foreign share(s) with nominal value of RMB1.00 each in the ordinary share capital of the Company, which are listed on the main board of Stock Exchange and traded in HK\$ (stock code: 00548)
“Latest Practicable Date”	21 April 2023, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purposes of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Revised Rules for Selection of Accountants” or (in the Appendix only) “Rules”	the revised Management Rules for Selection of the Group’s Annual Audit Accountants’ Firm proposed to be adopted by the Company pursuant to an ordinary resolution of the Shareholders at the AGM, full text of which is set out in the Appendix
“RMB”	Renminbi, the lawful currency of the PRC
“Rules for Selection of Accountants”	the Management Rules for Selection of Accountants’ Firm for Auditing Financial Statements as approved by the Shareholders at the extraordinary general meeting of the Company held on 15 March 2010
“Shares”	share(s) in the issued share capital of the Company
“Shareholders”	holders of the Shares
“SSE”	Shanghai Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

*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.

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LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. LIAO Xiang Wen (*President*)  
Mr. WANG Zeng Jin  
Mr. WEN Liang

*Non-executive Directors:*

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

*Independent Non-executive Directors:*

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

*Legal Address:*

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

*Place of Business in PRC:*

46th Floor, Hanking Center Tower,  
No. 9968 Shennan Avenue,  
Nanshan District,  
Shenzhen, PRC

*Principal Place of Business in Hong Kong:*

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

25 April 2023

*To the Shareholders of the Company*

Dear Sirs or Madams,

**(1) GENERAL MANDATE TO ISSUE DEBENTURES;**  
**(2) PROPOSED REVISION OF THE MANAGEMENT RULES FOR**  
**SELECTION OF THE GROUP'S ANNUAL AUDIT ACCOUNTANTS' FIRM;**  
**AND**  
**(3) NOTICE OF THE 2022 ANNUAL GENERAL MEETING**

**(I) INTRODUCTION**

The purpose of this circular is to provide you with the relevant details in relation to the abovementioned matters in order to enable the Shareholders to make informed decisions on voting for, against or abstain on the resolutions to be proposed at the AGM.

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## LETTER FROM THE BOARD

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### (II) MATTERS TO BE CONSIDERED

#### 1. General mandate to issue Debentures

Details of the general mandate to issue Debentures are as follows:

- (1) Issue size: The maximum outstanding repayment amount of the Debentures to be issued under the general mandate shall not exceed the equivalent of RMB15 billion in aggregate;
- (2) Target subscribers and arrangement for placement to shareholders: Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The Debentures shall not be placed to the existing shareholders on a preferential basis;
- (3) Type of the Debentures: Including but not limited to medium-term notes, short-term/extra-short-term commercial paper, short-term/extra short-term corporate bond, asset-backed commercial paper/securities, corporate bonds, enterprise bonds, private bonds (including non-public oriented debt financing instruments, debt investment plans, trust investment plans, etc.), overseas bonds and other new types of bonds, etc.;
- (4) Maturity: Each term of maturity for short-term/extra short-term commercial paper and short-term/extra short-term corporate bond shall not exceed 1 year, and each term of maturity for medium-term notes, asset-backed commercial paper/securities, corporate bonds, enterprise bonds, private bonds and overseas bonds etc. shall exceed 1 year, which may be issued under single category with one maturity term or mixed categories with different maturity terms. Specific terms are to be determined by the Board with reference to the market conditions and the Company's needs for funding;
- (5) Interest rate: It is expected that the interest rate will not exceed the average interest rate on bonds of the same maturity and rating in the market at the time of issue. Actual interest rate is to be determined by the Board or its authorised person(s) with reference to the market conditions at the time of issue;
- (6) Use of proceeds: Replenishment of the Company's and/or its subsidiaries' working capital, capital contribution, capital expenditure, repayment of the Company's and/or its subsidiaries' existing debts and capital requirements for new projects, etc.;
- (7) Listing: To be determined by the Board or its authorised person(s) with reference to the regulatory requirements and market conditions at the time of issue;
- (8) Guarantee: The specific type of guarantee (if necessary) is to be determined by the Board or its authorised person(s) with reference to the market conditions at the time of issue and approved within its authority;

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## LETTER FROM THE BOARD

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- (9) Validity of the resolutions: From the date on which the resolutions are approved by the general meeting to the date on which the 2023 annual general meeting is held. If the approval/registration for the relevant issuance is approved by the administrative department for the Debentures during the aforesaid validity period, the relevant authorised validity period of the specific implementation matters in relation to the issuance pursuant to such approval/registered amount, and the related post-issuance procedures such as registration, filing, listing, etc. at the trading/listing offices of the relevant exchanges/interbank market, shall be from the date on which the resolutions are approved by the general meeting to the completion date of such specific implementation matters;
- (10) On the condition that the asset-liability ratio of the Group's consolidated financial statements does not exceed 65%, the Board or any two Directors duly authorised by the Board are generally and unconditionally authorised to determine, approve and handle the following matters according to the Company's needs and market conditions:
- 1) to determine the specific terms, conditions and related matters of the Debentures to be issued under the general mandate, including but not limited to determination of the category to be issued, total principal amount, interest rate or its methods of determination, terms, credit rating, guarantee, protection measures for repayment, any repurchase or redemption terms, any placement arrangement, option to adjust nominal interest rate and use of proceeds, etc.;
  - 2) to make all necessary and incidental arrangements for the issue of Debentures under the general mandate (including but not limited to obtaining approvals, engaging intermediaries, determination of underwriting arrangements, preparation and dissemination of relevant application documents to regulatory authorities and obtaining approvals from such regulatory authorities, etc.);
  - 3) to make all necessary arrangements for the implementation of the issue of Debentures under the general mandate (including but not limited to execution of all requisite documents and disclosures of relevant information in accordance with applicable laws, etc.);
  - 4) in case of any changes in regulatory policies or market conditions, to adjust the specific issue proposals relating to the issue or other related matters according to the opinion of regulatory authorities; and
  - 5) upon completion of the issue, to determine and approve matters relating to the listing and lockup of exchange rate for the principal and interests of the relevant Debentures as well as adjust the coupon rate (if any) in accordance with the terms of issue, and redeem the bonds sold back by investors, etc., taking the specific conditions of the Company and the market into account.

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## LETTER FROM THE BOARD

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The general mandate to issue Debentures may or may not be approved by the Shareholders at the AGM. Even if the Board is granted with the general mandate, the issue of relevant Debentures is subject to the approval of relevant regulatory authorities. **There is uncertainty as to whether or not the general mandate to issue Debentures can eventually be exercised. Shareholders and investors are advised to be cautious about the uncertainty.**

### *Reasons for the grant of general mandate to issue Debentures*

Based on the Company's financial position and current financial strategy, our financial works are mainly focused on reducing finance expenses and increasing sources of funding, subject to safeguarding financial security. The Board considers that the issue of Debentures will be beneficial to the broadening of the financing channels of the Company, reduction of finance costs of the Company and improvement of the debt structure of the Company and therefore recommends the implementation of the relevant works with reference to the market opportunities as well as timely issue of the Debentures subject to relevant approval. According to the provisions of the Articles of Association, the issue of the Debentures by the Company shall be approved at the general meeting by way of special resolutions. To take full advantage of the market opportunities and strive for better terms for issue, the Board proposes to the Shareholders to approve the special resolutions in relation to the general mandate at the AGM.

### **2. Proposed Revision of the Rules for Selection of Accountants**

In order to better regulate the management of selection of accountants' firm (including new appointment, re-appointment and change in appointment) for auditing financial statements and relevant disclosures, to ensure the Company will appoint a competent auditor and enhance the quality of disclosure of financial information of the Company, the Company proposes to revise the Rules for Selection of Accountants pursuant to the relevant laws, regulations and the Articles of Association. The Company proposes to consider and approve, if thought fit, inter alia, the revision of the Rules for Selection of Accountants by way of ordinary resolution at the AGM. The Company further recommends that the Shareholders authorise the Board to approve the revision of the management rules in accordance with the relevant provisions of the state and relevant competent authorities, or the further adjustment and revision of the management rules in accordance with the actual operation and management of the Company in the future under the condition that it doesn't constitute a material amendment to the principal provisions.

Full text of the Revised Rules for Selection of Accountants is set out in the Appendix.

### **(III) AGM**

The Company will convene the AGM 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 Tuesday, 16 May 2023. The notice of the AGM is set out on pages 17 to 20 of this circular. The Proxy Form is enclosed hereto.



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## LETTER FROM THE BOARD

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Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM carefully and complete the Proxy Form in accordance with the instructions printed thereon. H Shareholders must return the Proxy Form to the H share registrar of the Company, Hong Kong Registrars Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, while A Shareholders must return the Proxy Form to the Company at on 46th Floor, Hanking Center Tower, Shennan Avenue, Nanshan District, Shenzhen, the PRC, no later than 24 hours before the time appointed for convening the AGM or any adjourned meeting thereof. Completion and return of the Proxy Forms will not preclude you from attending and voting at the AGM or any adjourned meeting(s) thereof in person if you so wish.

### **(IV) CLOSURE OF REGISTER OF HOLDERS OF H SHARES**

The register of holders of H Shares will be closed from Wednesday, 10 May 2023 to Tuesday, 16 May 2023, both days inclusive, during which period no transfer of H Shares will be effected. In order to qualify for attending the AGM, all transfer documents of H Shares accompanied by the relevant share certificates must be lodged with the Hong Kong Registrars Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 9 May 2023.

### **(V) VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Listing Rules and the Articles of Association, the AGM shall vote by poll on the resolutions set out in the notice of the AGM. Therefore, all resolutions as set out in the notice of AGM will be voted by poll. The poll results will be published on the HKExnews website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.sz-expressway.com](http://www.sz-expressway.com) upon the conclusion of the AGM.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholder has a material interest in any of the above resolutions and has to abstain from voting at the AGM on the above resolutions.

### **(VI) RECOMMENDATIONS**

The Board considers that the general mandate to issue Debentures and the revision of Rules for Selection of Accountants are in the interests of the Company and the Shareholders as a whole, and therefore recommends all the Shareholders to vote in favour of all the resolutions at the AGM.

By Order of the Board  
**LIAO Xiang Wen**  
*Executive Director and President*

*This circular is originally prepared in Chinese. In the event of any inconsistency, the Chinese text of this circular shall prevail.*

## **MANAGEMENT RULES FOR SELECTION OF THE GROUP'S ANNUAL AUDIT ACCOUNTANTS' FIRM**

### **1. OBJECTIVES**

The Rules were established in accordance with the relevant requirements under the relevant laws and regulations and the Articles of Association to regulate the management for the selection and appointment (including new appointment, re-appointment and change of appointment) of annual audit accountants' firm (the "**Auditor**") of Shenzhen Expressway Corporation Limited (the "**Company**") and the disclosure of relevant information, ensure the appointment of qualified auditor by the Company, and enhance the quality of financial information disclosure of the Company.

### **2. DEFINITIONS**

The Auditor referred to in the Rules refers to the statutory auditor who performs the audit for regular financial statements of the Company in accordance with the requirements of the China Securities Regulatory Commission ("**CSRC**"), Shanghai Stock Exchange ("**SSE**") and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), upon acceptance of engagement by the Company.

### **3. SCOPE OF APPLICATION**

The Rules is applicable to the Company, excluding auditors who provide special audit services for the Company and annual audit services for the Company's subsidiaries. Such selection and appointment shall be organised and implemented according to the Company's "Procurement Management Procedures" as required by its business needs. In principle, the annual auditors of each subsidiary shall be selected and appointed by the Company through unified bidding, and each subsidiary shall sign an audit engagement agreement with the respectively appointed auditor. If a subsidiary is required to select and appoint its auditor, such appointment of auditor shall be subject to the Company's approval.

### **4. DUTIES**

4.1 The Finance Department shall assist the Audit Committee for the selection and appointment of the Auditor, the assessment of audit quality and the day-to-day management of audit work. It shall be responsible for the formulation of systems related to the work of the Auditor, arrangement for the signing of audit engagement letter, cooperation with the Auditor to complete the audit as agreed, collection and organisation of the relevant information on the assessment of the work quality of the Auditor, draft the report on the engagement of the Auditor, maintenance of regular communication with the Auditor, organise unified bidding and selection of annual auditors of subsidiaries, review of the auditors engaged by invested enterprises, collection and organisation of the relevant information on the accounting firms, and assistance in the provision of other information related to the Auditor as required by the internal and external management authorities.

- 4.2 The Secretariat of the Board shall be responsible for the external disclosure of the relevant information on the appointment of the Auditor, and the report of such information to the relevant departments.
- 4.3 The Audit Committee shall be responsible for the nomination and consideration of the selection and appointment of the Auditor, assessment of the work quality of the Auditor and the reasonableness of audit fees, and submission of recommendations thereon to the Board.
- 4.4 The Board shall be responsible for the consideration of the recommendations on the selection and appointment of the Auditor submitted by the Audit Committee, and the submission to the general meeting for approval or authorisation.
- 4.5 The general meeting shall be responsible for the approval of the selection and appointment of the Auditor, or delegation of such power of approval to the Board. The decision on appointment of the Auditor shall be filed with the securities authorities in a timely manner.

## **5. PROCEDURES**

The procedures of the selection and appointment of the Auditor of the Company shall be divided into three categories, namely, new appointment, re-appointment and change of appointment:

### **5.1 Procedure for New Appointment of Auditor**

- 5.1.1 Before the new appointment of an Auditor of the Company, the financial controller shall initiate the related work upon consultation of the members of the Audit Committee and relevant authorities. The Finance Department should adopt the public bidding method for procurement according to the requirements of the Company's "Procurement Management Procedures", and enter the Shenzhen Sunshine Procurement Platform or other platforms that meet the requirements of state-owned assets supervision and management for the whole process of transactions. The Finance Department will issue the bidding announcement on the Shenzhen Sunshine Procurement Platform with the "Audit Business Bidding Document" approved by the Company. The bidding documents submitted by the bidders (mainly including bidding quotations, qualification certificates, annual audit service proposals, etc.), will be used as the basis for the selection of Auditors. Upon the receipt of the bids submitted by the bidders, the Finance Department shall investigate the bid submission firms and related certified public accountants by collecting practice quality information, consulting public information, or inquiring securities regulatory, financial, auditing departments and the Institute of Certified Public Accountants, etc. for information regarding their professional quality and integrity of the firm. The Finance Department shall also lead the establishment of the bid evaluation working group and the bidding supervision group. The members of the bid evaluation working group shall include members of the audit committee, independent directors, managements, and relevant departments. The bids shall be scored in accordance with the criteria set out in clause 6.1 and the "Tender Documents for Audit Business", and if necessary, bidders can be invited to present their bids on site. The bidder with the highest comprehensive score will be the proposed bid winner, and the bid winning result

shall be announced. The Finance Department shall then draw up a proposal for the selection and appointment of the bid winner based on the above bidding results, and submit to the Audit Committee after deliberation at the President's Office meeting.

5.1.2 The Audit Committee shall convene a meeting to consider the aforesaid information. Upon discussion at the meeting, the Audit Committee shall agree on the nomination of the Auditor proposed to be selected and appointed and form a written audit opinion, which shall be submitted to the Board for approval after being approved by more than half of the independent Directors.

5.1.3 The Board shall consider the resolution on the selection and appointment of the Auditor proposed by the Audit Committee and submit it to the general meeting for approval in accordance with the Articles of Association.

## **5.2 Procedure for Re-appointment of Auditor**

5.2.1 At the beginning of every year, the Company shall assess the quality of the audit for the preceding year carried out by the Auditor. The Finance Department shall collect written opinions of the members of the Audit Committee, independent Directors, management and relevant departments on the work quality of the Auditor in accordance with the requirements under clause 6.1, investigate the practice quality and integrity of the Auditor in companies other than the Company, and carry out preliminary negotiation with the Auditor on the auditing services proposal for the following year. Based on the above, an assessment report on the work quality of the Auditor shall be prepared by the Finance Department. The Finance Department shall draw up a proposal for the re-appointment of Auditors, after being reviewed by the president's office meeting, shall be submitted with the Annual Auditing Services Proposals submitted by the Auditor for the following year to the Audit Committee.

5.2.3 The Audit Committee shall convene a meeting to review the aforesaid information comprehensively, evaluate the quality of the annual audit completed by the Auditor, and review its auditing services proposal and audit fee for the following year. If an affirmative opinion is reached at the meeting, such opinion shall be formed into a written opinion on the re-appointment of the Auditor, which shall be submitted to the Board for consideration after such opinion being approved by more than half of the independent Directors. Such opinion shall then be submitted to the general meeting for approval.

## **5.3 Procedure for Change of Appointment of Auditor**

5.3.1 The Audit Committee shall assess the work quality of the former Auditor in accordance with the requirements under clause 5.2 of the Rules. If the meeting proposes that the former Auditor shall not be re-appointed and another Auditor shall be appointed, the Audit Committee shall meet the former Auditor to make reasonable evaluation on its practice quality, and give review opinion based on its sufficient judgment of the reasons for change of appointment. The Finance Department shall assist the Audit Committee in

the selection of the proposed Auditor to be appointed through open bidding in accordance with clause 5.1 of the Rules, which shall then be submitted to the Board for consideration after being approved by the Audit Committee.

- 5.3.2 In the event that the Auditor voluntarily proposes to resign, the Audit Committee shall start the related work in accordance with the requirements under clause 5.3.1 upon provision of the reason of resignation by the Auditor, and submit a written report to the Board.
- 5.3.3 In the event that the Audit Committee proposes to appoint another Auditor, the Company shall report to the Shenzhen Securities Regulatory Bureau for record ten working days prior to the issue of the notice of Board meeting by the Company. The content to be filed includes the reasons for the proposed change in Auditor, a list of proposed Auditors and the relevant information, and the written review opinion and investigation record of the Audit Committee.
- 5.3.4 The resolution in relation to reappoint Auditors shall be approved by more than half of the independent Directors before being submitted to the Board for consideration.
- 5.3.5 Upon the consideration and passing of the resolution on change of appointment of the Auditor by the Board, a notice on general meeting shall be issued by the Company, and the former Auditor and proposed Auditor shall be invited to attend the meeting by written notice. The former Auditor may state its opinion at the general meeting. The Board shall facilitate the former Auditor to make statements at the general meeting.

## **6. GUIDANCE**

This clause contains the provisions that must be observed in the implementation of the Rules:

### **6.1 Management Rules for Auditor Qualification and Audit Work Quality**

- 6.1.1 The Company shall appoint Auditor with corresponding qualification and good practice quality record. Auditor must hold the relevant securities and futures business licenses issued by the CSRC and other qualifications required. Any accounting firm subject to administrative sanctions by the relevant regulatory authorities for illegal practice in the last 3 years shall not be appointed by the Company as its Auditor.
- 6.1.2 The Company shall confirm that the Auditor and the partners and staff involved in the audit work maintain their due independence from the Company, and that there is no connected relationship and conflict of interests between them and the Company (including its Directors, supervisors and senior management), apart from the receipt of audit fee for the audit.

- 6.1.3 In addition to the compliance of the basic qualification requirements under clauses 6.1.1 and 6.1.2, the selection and appointment of the Auditor by the Company shall also be subject to the comprehensive evaluation on the audit quality and integrity of the accounting firm and the relevant certified public accountants. Evaluation criteria mainly include:
- 6.1.3.1 Market creditability (integrity and professionalism and their impacts on the PRC market and overseas market);
  - 6.1.3.2 Scale (number of professionals overseas and in the PRC and business scale);
  - 6.1.3.3 Experience (experience in the highway and infrastructure/environmental protection industry and in share listed companies of A shares and H shares);
  - 6.1.3.4 Team capability (person in charge of audit and the size, quality, experience of its audit team and stability);
  - 6.1.3.5 Service quotation; and
  - 6.1.3.6 Cooperation with the Company in the past.
- 6.1.4 The term of appointment of the Auditor appointed by the Company starts from the conclusion of the forthcoming annual general meeting of the Company until the conclusion of the next annual general meeting of the Company. Auditor may be re-appointed continuously upon approval, and the continuous employment period shall not exceed five years, and shall be rotated after five years.
- 6.1.5 The Company shall assess the quality of the auditing services for the preceding year carried out by the Auditor at the beginning of every year on a timely manner, and determine the appointment arrangement of the Auditor for the following year based on the results of assessment. The principal factors considered in the assessment include:
- 6.1.5.1 Comprehensive quality (market creditability, scale, professionalism, experience, cooperation with the Company in the past and any occurrence of illegal or penalty events);
  - 6.1.5.2 Quality and efficiency of the audit of annual financial report (material audit findings and opinions on material accounting events, fairness of data and sufficiency of disclosure, timeliness of audit report submission);
  - 6.1.5.3 Communication and its effects in audit process (sufficiency, timeliness and objective fairness of communication in various stages including audit planning, audit process and audit report submission, and communication with various levels, such as the Audit Committee, the independent Directors and the managements);

6.1.5.4 Value-added service (advice on corporate governance and internal control, related free professional training and consultation etc.);

6.1.5.5 Quality of audit team and its stability and independence; and

6.1.5.6 Reasonableness of audit workload and audit fee (as compared with the growth in past years and the same industry).

6.1.6 Except for the major deficiencies in the practice quality of the Auditor, audit staff and time arrangements that can hardly guarantee the disclosure of annual reports by the Company as scheduled and request made by the Auditor to terminate the audit business for the Company, the Company shall not change the Auditor during the audit period for its annual report.

## **6.2 Business Contract between the Company and the Auditor and Work Management Rules**

6.2.1 To appoint an Auditor for audit, the Company shall sign an audit engagement letter (business contract) with the Auditor. The audit engagement letter shall include at least the following information:

6.2.1.1 Audit objectives;

6.2.1.2 Respective responsibilities of Directors (the Company) and the Auditor for the financial statements;

6.2.1.3 Period of audit and scope of audit;

6.2.1.4 Audit plans and arrangements;

6.2.1.5 Audit fees.

6.2.2 The Finance Department shall procure the realisation of the relevant audit objectives through arrangement and coordination of audit works. Audit objectives mainly include: procure the Auditor to carry out audit in accordance with the requirements under the laws and regulations and the audit engagement letter, arrange adequate audit team, perform appropriate audit procedures, including review the financial statements and relevant internal control, evaluate the appropriateness of the accounting policies adopted by the Company, the reasonableness of accounting estimates and the appropriateness of the presentation of financial statements, express an opinion on whether the financial statements of the Company are prepared in accordance with the relevant requirements under the China Accounting Standards for Enterprises, and if they give a true and fair view of the state of affairs, results of operation and cash flows of the Company for the accounting year (period), and provide value-added services such as management proposal based on audit findings.

6.2.3 The Auditor appointed by the Company shall be entitled to the following rights:

- 6.2.3.1 The Auditor may inspect at any time the books, records or certificates of the Company, and to require the Directors, presidents or other senior management of the Company to provide any relevant information and explanations;
- 6.2.3.2 The Auditor may require the Company to take all reasonable steps to obtain from its subsidiaries, joint ventures and associates such information and explanations as are necessary for it to perform its duties;
- 6.2.3.3 The Auditor may request to meet alone with the Audit Committee, the independent Directors and the management;
- 6.2.3.4 The Auditor may attend Shareholders' meetings, receive the notices of, or information relating to, such meetings which Shareholders are entitled to receive, and to speak at any Shareholders' meeting on matters that are concerned with its office as the Auditor of the Company.
- 6.2.4 The audit engagement letter should specify the Auditor's period of audit, execution procedures and report types, including the audit of the Company's annual financial statements, the review of interim financial statements, and the implementation of agreed procedures for quarterly financial statements.
- 6.2.5 The scope of audit of the Auditor shall be specified in the audit engagement letter. The scope of audit shall cover all the operating units and business segments of the Company, and the subsidiaries, joint ventures and associates of the Company, to ensure the reliability of the consolidated financial statements of the Company as a whole. In addition, the Auditor may stipulate the expression of audit opinion on specific financial statements of the invested enterprises of the Company, and the arrangement of the additional audit procedures as may be required.
- 6.2.6 Upon the signing of the audit engagement letter with the Auditor, the Company shall obtain a statement of independence from the Auditor.
- 6.2.7 To ensure the audit quality, the Finance Department of the Company shall provide relevant conditions and assistance, so that the Auditor may maintain effective communication with the Audit Committee, the independent Directors and the management of the Company, including communication in respect of audit planning and audit findings.
- 6.2.8 In appointing the Auditor to provide services other than the audit of financial statements, the Company shall make adequate assessment on whether the independence of the Auditor is affected by such other services, and give comprehensive consideration to service quality and cost effectiveness. In principle, the total annual service fee for consultation businesses shall not exceed 50% of the total annual audit fee. Written explanations shall be provided in the relevant reports for any excess of such total fee



arising from actual work needs. In the event that the Company appoints the Auditor to provide services other than the audit of financial statements, record shall be filed with the Audit Committee.

### **6.3 Rules on Work Relating to Information Disclosure**

6.3.1 The Company shall issue specific announcement on the annual engagement of Auditor in accordance with the disclosure requirements of the SSE and the Stock Exchange.

6.3.2 The Company shall disclose the appointment of the Auditor, the assessment results of audit work quality and the audit remuneration paid in its annual report.

If different Auditors are appointed by the Company and its subsidiaries, remunerations paid to different Auditors shall be disclosed separately. If the Company appoints the Auditor to provide services other than the audit of financial statements, remunerations paid for audit and non-audit engagements shall be disclosed separately.

6.3.3 The Company shall disclose its opinion on the audit work quality of the Auditor for the year in the resolution of its annual general meeting.

6.3.4 If the Company intends to change the Auditor, it shall disclose in the announcement of the resolution of the general meeting in details of the reasons for the dismissal of the Auditor, statements of opinion (if any) given by the dismissed Auditor, opinions of the Audit Committee and the independent Directors, type of audit opinions of the latest annual financial statements, the existence of any material inconsistencies in the opinions between the Company and the Auditor and their substance, the investigation of the practice quality and review opinion on the proposed Auditor by the Audit Committee, the administration sanctions imposed on the proposed Auditor in the past three years, and the service fees charged by the former and the proposed Auditor.

## **7. MISCELLANEOUS**

7.1 In case of any matter not specified in the Rules, the provisions of the relevant laws and regulations such as the PRC Company Law and the Articles of Association shall be complied with.

7.2 The Rules shall be subject to interpretation by the Board.

7.3 The Rules shall come into effect on the date of approval of the general meeting of the Company, any amendments shall be approved by the general meeting of the Company or its authorised body.

## **8. RELATED DOCUMENTS**

8.1 Internal documents “Financial Report Preparation Management Measures”, “Audit Committee Annual Financial Report Review Work Procedures”, “Procurement Management Procedures”

- 8.2 External documents
  - 8.2.1 Company Law
  - 8.2.2 CSRC [2008] Order No. 48
  - 8.2.3 CSRC “Notice on Issues Concerning the Employment and Replacement of Accounting Firms for Listed Companies” ([1996] No. 1)
  - 8.2.4 CSRC “Compilation Rules for Information Disclosure of Companies Offering Securities to the Public No. 15 – General Provisions on Financial Reporting”
  - 8.2.5 CSRC “Compilation Rules for Information Disclosure of Companies Offering Securities to the Public No. 6 – Payment of Accounting Firm Remuneration and Disclosure”
  - 8.2.6 Shenzhen Securities Regulatory Bureau’s “Notice on Further Regulating Matters Related to the Selection and Engagement of Accounting Firms by Shenzhen Listed Companies” (Shenzhen Zhengju Company Zi [2008] No. 20)
  - 8.2.7 “Guidelines for the Selection and Engagement System of Accounting Firms of Shenzhen Listed Companies”
  - 8.2.8 “Notice of the Shenzhen State-owned Assets Supervision and Administration Commission on the Selection and Appointment of Annual Financial Statement Audit Institutions”
  - 8.2.9 “Interim Regulations on the Auditing of Annual Financial Final Accounts of State-owned Enterprises in Shenzhen” (Shenzhen State-owned Assets Supervision and Administration Commission [2015] No. 60)

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## NOTICE OF THE AGM

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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)

## NOTICE OF THE 2022 ANNUAL GENERAL MEETING

**Notice is hereby given** that the 2022 Annual General Meeting (the “AGM”) of Shenzhen Expressway Corporation 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 People’s Republic of China on Tuesday, 16 May 2023 at 10:00 a.m. to consider and, if thought fit, pass the following resolutions:

### ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors for the year 2022;
2. To consider and approve the report of the supervisory committee for the year 2022;
3. To consider and approve the audited accounts for the year 2022;
4. To consider and approve the proposed distribution scheme of profits for the year 2022 (including declaration of final dividend);
5. To consider and approve the budget report for the year 2023;
6. To consider and approve the resolution in relation to the re-appointment of auditors for 2023: Deloitte Touche Tohmatsu Certified Public Accountants LLP be re-appointed as the auditors of the Company for 2023, to perform audit on the annual financial statements and internal control etc., and undertake the role of the international auditors in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and the board of directors of the Company and its authorised person(s) be authorised to fix their audit fees for 2023;
7. To consider and approve the resolution in relation to provision of guarantees for subsidiaries;
8. To consider and approve the resolution in relation to the revision of “Management Rules for Selection of the Group’s Annual Audit Accountants’ Firm”;

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## NOTICE OF THE AGM

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### SPECIAL RESOLUTIONS

9. To consider and approve by way of separate resolutions in relation to the grant of a general mandate to the board of directors to issue debentures, the board of directors of the Company be granted a general mandate (the “**General Mandate**”) to issue debentures (the “**Debentures**”) in one or more tranches from the date on which these resolutions are approved by the general meeting to the date on which the 2023 annual general meeting is held with a maximum outstanding repayment amount of the Debentures to be issued under this General Mandate not exceeding the equivalent of RMB15 billion in aggregate, the specific provisions are as follows:
- 9.01 Issue size: The maximum outstanding repayment amount of the Debentures to be issued under the General Mandate shall not exceed the equivalent of RMB15 billion in aggregate;
- 9.02 Target subscribers and arrangement for placement to shareholders: Target subscribers are investors in compliance with the requirements of relevant laws and regulations. The Debentures shall not be placed to the existing shareholders on a preferential basis;
- 9.03 Type of the Debentures: Including but not limited to medium-term notes, short-term/extra-short-term commercial paper, short-term/extra short-term corporate bond, asset-backed commercial paper/securities, corporate bonds, enterprise bonds, private bonds (including non-public oriented debt financing instruments, debt investment plans, trust investment plans, etc.), overseas bonds and other new types of bonds, etc.;
- 9.04 Maturity: Each term of maturity for short-term/extra short-term commercial paper and short-term/extra short-term corporate bond shall not exceed 1 year, and each term of maturity for medium-term notes, asset-backed commercial paper/securities, corporate bonds, enterprise bonds, private bonds and overseas bonds etc. shall exceed 1 year, which may be issued under single category with one maturity term or mixed categories with different maturity terms. Specific terms are to be determined by the board of directors with reference to the market conditions and the Company’s needs for funding;
- 9.05 Interest rate: It is expected that the interest rate will not exceed the average interest rate on bonds of the same maturity and rating in the market at the time of issue. Actual interest rate is to be determined by the board of directors or its authorised person(s) with reference to the market conditions at the time of issue;
- 9.06 Use of proceeds: Replenishment of the Company’s and/or its subsidiaries’ working capital, capital contribution, capital expenditure, repayment of the Company’s and/or its subsidiaries’ existing debts and capital requirements for new projects, etc.;
- 9.07 Listing: To be determined by the board of directors or its authorised person(s) with reference to the regulatory requirements and market conditions at the time of issue;
- 9.08 Guarantee: The specific type of guarantee (if necessary) is to be determined by the board of directors or its authorised person(s) with reference to the market conditions at the time of issue and approved within its authority;

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## NOTICE OF THE AGM

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- 9.09 Validity of the resolutions: From the date on which the resolutions are approved by the general meeting to the date on which the 2023 annual general meeting is held. If the approval/registration for the relevant issuance is approved by the administrative department for Debentures during the aforesaid validity period, the relevant authorised validity period of the specific implementation matters in relation to the issuance pursuant to such approval/registered amount, and the related post-issuance procedures such as registration, filing, listing, etc. at the trading/listing offices of the relevant exchanges/interbank market, shall be from the date on which the resolutions are approved by the general meeting to the completion date of such specific implementation matters;
- 9.10 Authorisation arrangement: On the condition that the asset-liability ratio of the Group's consolidated financial statements does not exceed 65%, the board of directors or any two directors of the Company duly authorised by the board of directors are hereby generally and unconditionally authorised to determine, approve and deal with the specific terms, conditions and related matters of the Debentures to be issued under the General Mandate according to the needs of the Company and the market conditions and to prepare and execute all necessary documents, and make all necessary arrangement for the implementation and adjustment of the issue, listing and lockup of exchange rate (if applicable) and other related matters of relevant Debentures.

By Order of the Board  
**LIAO Xiang Wen**  
*Executive Director and President*

Shenzhen, PRC, 25 April 2023

*Notes:*

**I. Eligibility for attending the AGM**

Shareholders of the Company whose names appear on the registers of shareholders of the Company at the close of business on 9 May 2023 shall have the right to attend the AGM after complying with the necessary registration procedures.

**II. Registration procedures for attending the AGM**

The register of holders of H shares of the Company shall be closed from Wednesday, 10 May 2023 to Tuesday, 16 May 2023 (both days inclusive), during which period no transfer of H shares will be registered. Holders of H shares of the Company who intend to attend the AGM 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 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Tuesday, 9 May 2023.

**III. Proxy**

- i Shareholders entitled to attend and vote at the AGM are entitled to appoint, in written form, one or more proxies (whether a shareholder or not) to attend and vote on his behalf.

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## NOTICE OF THE AGM

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- 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 AGM. 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 AGM.

#### **IV. Notice on relevant matters about final dividend**

The board of directors recommended the payment of a final dividend of RMB0.462 (tax included) per share to all shareholders for the year ended 31 December 2022, subject to the approval by the shareholders at the AGM to be held on Tuesday, 16 May 2023.

The Company hereby further remind holders of H shares that the record date of the H shares of the Company for the final dividend for the year ended 31 December 2022 shall be Tuesday, 30 May 2023, and the register of holders of H shares of the Company will be closed from 23 May 2023 to 30 May 2023 (both days inclusive), during which period no transfer of H shares of the Company will be registered. In order to be qualified for the final dividend, all instruments of transfer, accompanied by the relevant share certificates of H shares of the Company must be delivered to the registrar of H shares of the Company, Hong Kong Registrars Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 22 May 2023.

Other matters related to the final dividend will be separately notified.

#### **V. 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 AGM on the resolutions set out in the notice of the AGM will be taken by poll.

#### **VI. Other matters**

1. The duration of the AGM is expected not to exceed one day. Shareholders or proxies who attend the AGM shall arrange for transport, food, accommodation and other relevant expenses at their own cost.
2. Address of Hong Kong Registrars Limited (for share transfer):  
  
Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
3. 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