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**Shenzhen Investment Holdings Bay Area
Development Company Limited**
深圳投控灣區發展有限公司
(incorporated in the Cayman Islands with limited liability)
Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

**MAJOR TRANSACTIONS
CONSTRUCTION WORKS AGREEMENTS (TJ2-TJ5 BID SECTIONS)**

THE CONSTRUCTION WORKS AGREEMENTS (TJ2-TJ5 BID SECTIONS)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 3 April 2024, GSZ Company entered into the following Construction Works Agreements (TJ2-TJ5 Bid Sections) with the respective Contractors for the civil engineering construction works in connection with the Approved Road Section R&E Project:

1. the Construction Works Agreement (TJ2 Bid Section) entered into with CR 12th Bureau with a contract price of approximately RMB1,772,125,038;
2. the Construction Works Agreement (TJ3 Bid Section) entered into with CCCC Second Highway with a contract price of approximately RMB1,562,566,969;
3. the Construction Works Agreement (TJ4 Bid Section) entered into with CR Major Bridge with a contract price of approximately RMB1,044,195,888; and
4. the Construction Works Agreement (TJ5 Bid Section) entered into with CCCC R&B with a contract price of approximately RMB842,098,363.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under each of the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) will constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ5 Bid Section) exceeds 5% but is less than 25% on a standalone basis and the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ3 Bid Section) exceeds 25% but is less than 100% on a standalone basis, given that the CCCC Constructions Works Agreements are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the CCCC Construction Works Agreements on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%.

In view of the above, the entering into of and the transactions contemplated under the Construction Works Agreements (TJ2-TJ5 Bid Sections) constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder, none of the Directors was required to abstain from voting on the board resolutions approving the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

As at the date of this announcement, the Company has obtained a written approval from SIIC, the controlling shareholder of the Company holding 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company as at the date of this announcement. Accordingly, no general meeting of the Company is required to be convened for the purpose of approving the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder is required to be despatched to the Shareholders within 15 business days after publication of this announcement. The Company expects to dispatch the circular to the Shareholders on or before 25 April 2024.

1. INTRODUCTION

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 3 April 2024, GSZ Company entered into the following Construction Works Agreements (TJ2-TJ5 Bid Sections) with the respective Contractors for the civil engineering construction works in connection with the Approved Road Section R&E Project:

1. the Construction Works Agreement (TJ2 Bid Section) entered into with CR 12th Bureau with a contract price of approximately RMB1,772,125,038;
2. the Construction Works Agreement (TJ3 Bid Section) entered into with CCCC Second Highway with a contract price of approximately RMB1,562,566,969;
3. the Construction Works Agreement (TJ4 Bid Section) entered into with CR Major Bridge with a contract price of approximately RMB1,044,195,888; and
4. the Construction Works Agreement (TJ5 Bid Section) entered into with CCCC R&B with a contract price of approximately RMB842,098,363.

2. THE CONSTRUCTION WORKS AGREEMENTS

(1) Construction Works Agreement (TJ2 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ2 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) CR 12 th Bureau
Subject Matter	CR 12 th Bureau (as the contractor) shall undertake the civil engineering construction works on road section starting from K8+800 and ending at K23+078 of the Approved Road Section with a total length of approximately 14.28k.m. and the road surface construction works on road section starting from K2+270 and ending at K23+078 of the Approved Road Section with a total length of approximately 20.81k.m. In connection with the civil engineering construction works, CR 12 th Bureau shall be mainly responsible for the construction of roadbed, bridge culvert and interchange, the mechanical and electrical maintenance, prefabricated component construction works, the relocation of pipeline, the transplantation of trees and related construction transportation arrangements, etc. In connection with the road surface construction works, CR 12 th Bureau shall be mainly responsible for the construction of road surface, traffic safety engineering, toll station construction, renovation of the middle belt, greening and related construction transportation arrangements, etc..
Construction Period	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 48 months.
Contract Price	The contract price shall be approximately RMB1,772,125,038, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CR 12 th Bureau if the particular conditions agreed in the Construction Works Agreement (TJ2 Bid Section) are satisfied.

GSZ Company currently does not anticipate that there will be any material adjustments to the contract price. The Company will re-comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the contract price under the Construction Works Agreement (TJ2 Bid Section).

GSZ Company intends to finance the contract price by way of its internal resources and/or external bank financing.

Basis of Determination of Contract Price of GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the Construction Works Agreement (TJ2 Bid Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on preparation bills of quantities, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with relevant department, a public tender announcement was issued.

GSZ Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to CR 12th Bureau after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB1,772,125,038 was determined based on the bidding price provided by CR 12th Bureau.

Advance Payment The advance payment amount is 10% of the contract price.

The advance payment may be set off against the incurred contract amount at an agreed ratio upon the incurred contract amount reaching 30% of the contract price.

Payment Arrangement Incurred contract amount will be paid by GSZ Company to CR 12th Bureau by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CR 12th Bureau for the supervisor's review, GSZ Company will pay 50% of the tentative measurement amount of the current period as the first payment. After the completion of the supervisor's reviewing process of the monthly measurement report, GSZ Company will make the second payment based on the approved payment certificate and deduct the first tentative payment amount.

Quality Guarantee Deposit and Defect Responsibility Period	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CR 12 th Bureau’s obligation to rectify defects during the defect liability period (2 years from the actual completion date). After the completion of the final account review and filing and the completion of final account audit of the project, 80% of the balance of the quality guarantee deposit will be returned by GSZ Company to CR 12 th Bureau within 30 days from the date when the settlement amount is finalised. The remaining balance of the quality guarantee deposit will be returned by GSZ Company to CR 12 th Bureau within 30 days after completion of the acceptance inspection.
Performance Guarantee	Within 28 days after receiving the letter of acceptance and before the signing of the Construction Works Agreement (TJ2 Bid Section), CR 12 th Bureau shall provide a performance guarantee in the amount equivalent to 10% of the contract price in the form of cash (or cheque), bank guarantee or other legal means, which shall remain effective until GSZ Company starts to deduct the quality guarantee deposit.
Effectiveness	The Construction Works Agreement (TJ2 Bid Section) shall become effective upon CR 12 th Bureau having provided the performance guarantee and the parties having signed and stamped the contract.

(2) Construction Works Agreement (TJ3 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ3 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) CCCC Second Highway
Subject Matter	CCCC Second Highway (as the contractor) shall undertake the construction works of the road section from K23+078 and ending at K29+449.5 of the Approved Road Section with a total length of approximately 6.38k.m.

CCCC Second Highway shall be responsible for the construction works of the abovementioned road section, mainly including the construction of bridge and interchange, the mechanical and electrical maintenance, prefabricated component construction works, the relocation of pipeline and related construction transportation arrangements, etc.

Construction Period Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.

Contract Price The contract price shall be approximately RMB1,562,566,969, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CCCC Second Highway if the particular conditions agreed in the Construction Works Agreement (TJ3 Bid Section) are satisfied.

GSZ Company currently does not anticipate that there will be any material adjustments to the contract price. The Company will re-comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the contract price under the Construction Works Agreement (TJ3 Bid Section).

GSZ Company intends to finance the contract price by way of its internal resources and/or external bank financing.

Basis of Determination of Contract Price GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the Construction Works Agreement (TJ3 Bid Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on preparation bills of quantities, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with relevant department, a public tender announcement was issued.

GSZ Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to CCCC Second Highway after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB1,562,566,969 was determined based on the bidding price provided by CCCC Second Highway.

**Advance
Payment**

The advance payment amount is 10% of the contract price.

The advance payment may be set off against the incurred contract amount at an agreed ratio upon the incurred contract amount reaching 30% of the contract price.

**Payment
Arrangement**

Incurred contract amount will be paid by GSZ Company to CCCC Second Highway by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CCCC Second Highway for the supervisor's review, GSZ Company will pay 50% of the tentative measurement amount of the current period as the first payment. After the completion of the supervisor's reviewing process of the monthly measurement report, GSZ Company will make the second payment based on the approved payment certificate and deduct the first tentative payment amount.

**Quality
Guarantee
Deposit and
Defect
Responsibility
Period**

The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CCCC Second Highway's obligation to rectify defects during the defect liability period (2 years from the actual completion date).

After the completion of the final account review and filing and the completion of final account audit of the project, 80% of the balance of the quality guarantee deposit will be returned by GSZ Company to CCCC Second Highway within 30 days from the date when the settlement amount is finalised. The remaining balance of the quality guarantee deposit will be returned by GSZ Company to CCCC Second Highway within 30 days after completion of the acceptance inspection.

Performance Guarantee Within 28 days after receiving the letter of acceptance and before the signing of the Construction Works Agreement (TJ3 Bid Section), CCCC Second Highway shall provide a performance guarantee in the amount equivalent to 10% of the contract price in the form of cash (or cheque), bank guarantee or other legal means, which shall remain effective until GSZ Company starts to deduct the quality guarantee deposit.

Effectiveness The Construction Works Agreement (TJ3 Bid Section) shall become effective upon CCCC Second Highway having provided the performance guarantee and the parties having signed and stamped the contract.

(3) Construction Works Agreement (TJ4 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ4 Bid Section) is as follows:

Parties

- (i) GSZ Company, a deemed subsidiary of the Company
- (ii) CR Major Bridge

Subject Matter CR Major Bridge (as the contractor) shall undertake (i) the civil engineering construction works on road section starting from starting from K29+449.5 and ending at K34+792.5 of the Approved Road Section with a total length of approximately 5.34k.m., mainly including the construction of bridge and interchange, the mechanical and electrical maintenance, the relocation of pipeline and related construction transportation arrangements, etc.; (ii) the prefabricated beam construction works on road section starting from K29+449.5 and ending at K40+545 of the Approved Road Section; and (iii) the prefabricated pillar construction works and the beam covering construction works on road section starting from K23+078 and ending at K34+792.5 of the Approved Road Section.

Construction Period Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.

Contract Price The contract price shall be approximately RMB1,044,195,888, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CR Major Bridge if the particular conditions agreed in the Construction Works Agreement (TJ4 Bid Section) are satisfied.

GSZ Company currently does not anticipate that there will be any material adjustments to the contract price. The Company will re-comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the contract price under the Construction Works Agreement (TJ4 Bid Section).

GSZ Company intends to finance the contract price by way of its internal resources and/or external bank financing.

Basis of Determination of Contract Price GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the Construction Works Agreement (TJ4 Bid Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on preparation bills of quantities, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with relevant department, a public tender announcement was issued.

GSZ Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to CR Major Bridge after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB1,044,195,888 was determined based on the bidding price provided by CR Major Bridge.

Advance Payment The advance payment amount is 10% of the contract price.

The advance payment may be set off against the incurred contract amount at an agreed ratio upon the incurred contract amount reaching 30% of the contract price.

Payment Arrangement	Incurred contract amount will be paid by GSZ Company to CR Major Bridge by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CR Major Bridge for the supervisor’s review, GSZ Company will pay 50% of the tentative measurement amount of the current period as the first payment. After the completion of the supervisor’s reviewing process of the monthly measurement report, GSZ Company will make the second payment based on the approved payment certificate and deduct the first tentative payment amount.
Quality Guarantee Deposit and Defect Responsibility Period	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CR Major Bridge’s obligation to rectify defects during the defect liability period (2 years from the actual completion date). After the completion of the final account review and filing and the completion of final account audit of the project, 80% of the balance of the quality guarantee deposit will be returned by GSZ Company to CR Major Bridge within 30 days from the date when the settlement amount is finalised. The remaining balance of the quality guarantee deposit will be returned by GSZ Company to CR Major Bridge within 30 days after completion of the acceptance inspection.
Performance Guarantee	Within 28 days after receiving the letter of acceptance and before the signing of the Construction Works Agreement (TJ4 Bid Section), CR Major Bridge shall provide a performance guarantee in the amount equivalent to 10% of the contract price in the form of cash (or cheque), bank guarantee or other legal means, which shall remain effective until GSZ Company starts to deduct the quality guarantee deposit.
Effectiveness	The Construction Works Agreement (TJ4 Bid Section) shall become effective upon CR Major Bridge having provided the performance guarantee and the parties having signed and stamped the contract.

(4) Construction Works Agreement (TJ5 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ5 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) CCCC R&B
Subject Matter	<p>CCCC R&B (as the contractor) shall undertake the construction works of the road section starting from K34+792.5 and ending at K40+545 of the Approved Road Section with a total length of approximately 5.75k.m..</p> <p>CCCC R&B shall be responsible for the construction works of the abovementioned road section, mainly including the construction of bridge and interchange, the mechanical and electrical maintenance, the relocation of pipeline and related construction transportation arrangements, etc.</p>
Construction Period	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.
Contract Price	<p>The contract price shall be approximately RMB842,098,363, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CCCC R&B if the particular conditions agreed in the Construction Works Agreement (TJ5 Bid Section) are satisfied.</p> <p>GSZ Company currently does not anticipate that there will be any material adjustments to the contract price. The Company will re-comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the contract price under the Construction Works Agreement (TJ5 Bid Section).</p> <p>GSZ Company intends to finance the contract price by way of its internal resources and/or external bank financing.</p>

Basis of Determination of Contract Price GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the Construction Works Agreement (TJ5 Bid Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on preparation bills of quantities, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with relevant department, a public tender announcement was issued.

GSZ Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to CCCC R&B after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB842,098,363 was determined based on the bidding price provided by CCCC R&B.

Advance Payment The advance payment amount is 10% of the contract price.

The advance payment may be set off against the incurred contract amount at an agreed ratio upon the incurred contract amount reaching 30% of the contract price.

Payment Arrangement Incurred contract amount will be paid by GSZ Company to CCCC R&B by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CCCC R&B for the supervisor's review, GSZ Company will pay 50% of the tentative measurement amount of the current period as the first payment. After the completion of the supervisor's reviewing process of the monthly measurement report, GSZ Company will make the second payment based on the approved payment certificate and deduct the first tentative payment amount.

Quality Guarantee Deposit and Defect Responsibility Period The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CCCC R&B's obligation to rectify defects during the defect liability period (2 years from the actual completion date).

After the completion of the final account review and filing and the completion of final account audit of the project, 80% of the balance of the quality guarantee deposit will be returned by GSZ Company to CCCC R&B within 30 days from the date when the settlement amount is finalised. The remaining balance of the quality guarantee deposit will be returned by GSZ Company to CCCC R&B within 30 days after completion of the acceptance inspection.

Performance Guarantee Within 28 days after receiving the letter of acceptance and before the signing of the Construction Works Agreement (TJ5 Bid Section), CCCC R&B shall provide a performance guarantee in the amount equivalent to 10% of the contract price in the form of cash (or cheque), bank guarantee or other legal means, which shall remain effective until GSZ Company starts to deduct the quality guarantee deposit.

Effectiveness The Construction Works Agreement (TJ5 Bid Section) shall become effective upon CCCC R&B having provided the performance guarantee and the parties having signed and stamped the contract.

3. INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in the expressway business, with its development strategy focusing on the development of infrastructure and related businesses in the Greater Bay Area as well as land development and utilisation along expressway.

GSZ Company

GSZ Company (a deemed subsidiary of the Company) is principally engaged in the operation and management of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, which is a joint venture established by Hopewell China Development (Superhighway) Limited (a non-wholly owned subsidiary of the Company) and Guangdong Highway Construction.

CR 12th Bureau

CR 12th Bureau is a limited liability company established in the PRC and is wholly owned by CRCC. CR 12th Bureau possesses first-grade general contracting qualifications for construction of highway, water conservancy and hydropower construction, municipal utility, communication project, etc., and specialises in tunnel, bridge, roadbed, pavement, foundation, airport road, track laying, rail transportation, mechanical and electrical equipment installation, geological disaster management, etc. with first-grade contracting and other qualifications. The company's business scope involves engineering construction, planning and design, logistics and trade, line maintenance, capital operations, real estate development and other fields and professions.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CR 12th Bureau and its ultimate beneficial owners are Independent Third Parties.

CR Major Bridge

CR Major Bridge is a limited liability company established in the PRC and is wholly owned by CREC. CR Major Bridge is in the leading position in PRC's bridge industry, and possesses special-grade qualifications for general contracting of railways, highways, and municipal public engineering construction, and first-grade qualifications for general contracting of construction, electric power, and mechanical and electrical projects, bridges, tunnels, ports and coasts, railway track laying, highway subgrades, power transmission and transformation, steel structures, foundations, etc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CR Major Bridge and its ultimate beneficial owners are Independent Third Parties.

CCCC Second Highway

CCCC Second Highway is a limited liability company established in the PRC and is owned as to approximately 74.76% and 25.24% by CCCC and other Independent Third Parties, respectively. CCCC Second Highway mainly engages in the construction of infrastructure, roads, bridges, tunnels, railways, urban rail transit, station hubs, comprehensive urban development, municipal administration, housing construction, water conservancy, ecological and environmental protection, etc. CCCC Second Highway processes special-grade qualifications for general contracting of highway engineering construction and first-grade qualifications for general contracting of highway, municipal, construction, railway, and mechanical and electrical construction, etc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CCCC Second Highway and its ultimate beneficial owners are Independent Third Parties.

CCCC R&B

CCCC R&B is a limited liability company established in the PRC and is owned as to approximately 71.08% and 28.92% by CCCC and other Independent Third Parties, respectively. CCCC R&B mainly engages in the construction of highways, bridges, airports, ports, tunnels, water supply and drainage and other civil engineering projects in the PRC.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CCCC R&B and its ultimate beneficial owners are Independent Third Parties.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the Construction Works Agreements (TJ2-TJ5 Bid Sections) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved Road Section, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

Each of the winning bidders for the Construction Works Agreements (TJ2-TJ5 Bid Sections) was ranked first in the bidding score of each construction bid section through a tender and bidding process which is regulated by the bidding laws and regulations in the PRC. Based on the bid evaluation method reviewed and approved by the Department of Transport of Guangdong Province, the ranking was determined by an independent bid evaluation committee.

Taking into account the reasons set out above, the Directors consider that the terms of each of the Construction Works Agreements (TJ2-TJ5 Bid Sections) are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

5. LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions contemplated under each of the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ2 Bid Section) and the Construction Works Agreement (TJ4 Bid Section) will constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ5 Bid Section) exceeds 5% but is less than 25% on a standalone basis and the highest applicable percentage ratio in respect of the transactions contemplated under Construction Works Agreement (TJ3 Bid Section) exceeds 25% but is less than 100% on a standalone basis, given that the CCCC Constructions Works Agreements are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the CCCC Construction Works Agreements on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%.

In view of the above, the entering into of and the transactions contemplated under the Construction Works Agreements (TJ2-TJ5 Bid Sections) constitute major transactions of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As none of the Directors has any material interest in the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder, none of the Directors was required to abstain from voting on the board resolutions approving the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

6. WRITTEN SHAREHOLDERS' APPROVAL

Pursuant to Rule 14.44 of the Listing Rules, Shareholders' approval may be obtained by written Shareholders' approval in lieu of convening a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder; and (b) the written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the issued share capital of the Company having the right to attend and vote at the general meeting to approve the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors after having made all reasonable enquiries, none of the Shareholders has any material interest in the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

As at the date of this announcement, the Company has obtained a written approval from SIIC, the controlling shareholder of the Company holding 2,213,449,666 Shares, representing approximately 71.83% of the issued share capital of the Company as at the date of this announcement. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Construction Works Agreements (TJ2-TJ5 Bid Sections) and the transactions contemplated thereunder is required to be despatched to the Shareholders within 15 business days after publication of this announcement. The Company expects to dispatch the circular to the Shareholders on or before 25 April 2024.

It is anticipated that the Group and the GSZ Company (a deemed subsidiary of the Company) may enter into agreements in relation to certain transactions to be carried out under the Approved Road Section R&E Project. In the event these transactions are materialised, the Company will conduct further approval procedures and make disclosures as and when appropriate in compliance with the relevant requirements of the Listing Rules in respect of these transactions accordingly. Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Approved Section”	Road	The Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Guangzhou Huocun section of the Guangzhou-Foshan Expressway* (京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段)
“Approved Road Section R&E Project”		the reconstruction and expansion project of the Approved Road Section approved by Guangdong Provincial Development and Reform Commission on 22 August 2023
“Board”		the board of Directors
“CCCC”		China Communications Construction Company Ltd.* (中國交通建設股份有限公司), a company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1800) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601800)
“CCCC Construction Works Agreements”	Construction Works Agreements	Construction Works Agreement (TJ3 Bid Section) and Construction Works Agreement (TJ5 Bid Section)
“CCCC R&B”		CCCC Road and Bridge International Co., Ltd.* (中交路橋建設有限公司), a limited company established in the PRC and is owned as to approximately 71.08% and 28.92% by CCCC and other Independent Third Parties respectively
“CCCC Highway”	Second Highway	CCCC Second Highway Engineering Co., Ltd.* (中交第二公路工程局有限公司), a limited company established in the PRC and is owned as to approximately 74.76% and 25.24% by CCCC and other Independent Third Parties respectively
“Company”		Shenzhen Investment Holdings Bay Area Development Company Limited (深圳投控灣區發展有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange (Stock Codes: 737 (HKD Counter) and 80737 (RMB Counter))

“Construction Agreement (TJ2 Section)”	Works Bid	the civil engineering construction works agreement (TJ2 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同（第 TJ2 標段）》) dated 3 April 2024 and entered into between GSZ Company and CR 12 th Bureau
“Construction Agreement (TJ3 Section)”	Works Bid	the civil engineering construction works agreement (TJ3 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同（第 TJ3 標段）》) dated 3 April 2024 and entered into between GSZ Company and CCCC Second Highway
“Construction Agreement (TJ4 Section)”	Works Bid	the civil engineering construction works agreement (TJ4 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同（第 TJ4 標段）》) dated 3 April 2024 and entered into between GSZ Company and CR Major Bridge
“Construction Agreement (TJ5 Section)”	Works Bid	the civil engineering construction works agreement (TJ5 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to Huocun section of the Guangzhou-Foshan Expressway* (《京港澳高速公路廣州火村至東莞長安段及廣佛高速公路廣州黃村至火村段改擴建項目土建工程施工合同（第 TJ5 標段）》) dated 3 April 2024 and entered into between GSZ Company and CCCC R&B

“Construction Works Agreements (TJ2-TJ5 Bid Sections)”	CCCC Construction Works Agreements, Construction Works Agreement (TJ2 Bid Section) and Construction Works Agreement (TJ4 Bid Section)
“Contractors”	CCCC R&B, CCCC Second Highway, CR 12 th Bureau and CR Major Bridge
“CRCC”	China Railway Construction Corporation Limited* (中國鐵建股份有限公司), a company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1186) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601186)
“CREC”	China Railway Group Limited* (中國中鐵股份有限公司), a company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 390) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601390)
“CR 12 th Bureau”	China Railway 12th Bureau Group Co., Ltd.* (中鐵十二局集團有限公司) is a limited liability company established in the PRC and is wholly owned by CRCC
“CR Major Bridge”	China Railway Major Bridge Engineering Group Co., Ltd.* (中鐵大橋局集團有限公司) is a limited liability company established in the PRC and is wholly owned by CREC
“Director(s)”	the director(s) of the Company
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area
“Group”	the Company and its subsidiaries
“GSZ Company”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited (廣深珠高速公路有限公司), the joint venture established by the Group and Guangdong Highway Construction in Guangzhou City, Guangdong Province of the PRC on 27 April 1988 and a deemed subsidiary of the Company when fulfilling certain agreed obligations /responsibilities under Listing Rules in terms of the Listing Agreement entered into between the Company and the Stock Exchange on 7 August 2003

“Independent Third Parties”	third parties independent of and not being connected persons of the Company or its subsidiaries
“k.m.”	kilometre(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Expressway”	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 (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
“SIIC”	Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (深圳投控國際資本控股基建有限公司), a limited company incorporated in the British Virgin Islands, which is an indirect-wholly owned subsidiary of Shenzhen Expressway
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board
**Shenzhen Investment Holdings Bay Area
Development Company Limited**
Ji LIU*
Executive Director and Deputy General Manager

Hong Kong, 3 April 2024

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), Mr Jianming WU* (Executive General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); two Non-executive Directors namely, Ms. Siyan CHEN* and Mr. Xuan WANG*; and three Independent Nonexecutive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE**

** For identification purpose only*