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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)

DISCLOSEABLE AND CONNECTED TRANSACTION

MECHANICAL AND ELECTRICAL ENGINEERING CONSTRUCTION AGREEMENTS (JD1 AND JD2 SECTIONS)

MECHANICAL AND ELECTRICAL ENGINEERING CONSTRUCTION AGREEMENTS (JD1 AND JD2 SECTIONS)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 26 September 2025 (after trading hours), GSZ Company entered into the following mechanical and electrical engineering construction agreements with the respective contractors for the mechanical and electrical engineering construction works in connection with the Approved Road Section R&E Project:

1. the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) entered into with Guangdong Xinyue at a contract price of RMB422,290,446; and

2. the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) entered into with Beijing GK Feida at a contract price of RMB288,964,259.

LISTING RULES IMPLICATIONS

The Mechanical and Electrical Engineering Construction Agreement (JD1 Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) exceed 5% but all of them are less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Given that Guangdong Xinyue is indirectly wholly owned by GPCG, which is the holding company of Guangdong Highway Construction (the substantial shareholder of GSZ Company), Guangdong Xinyue is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section), therefore, also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) are only subject to reporting and announcement requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Mechanical and Electrical Engineering Construction Agreement (JD2 Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) exceed 5% but all of them are less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As none of the Directors had any material interest in the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) and the transactions contemplated thereunder, none of the Directors had abstained from voting on the board resolutions approving the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) and the transactions contemplated thereunder.

1. INTRODUCTION

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 26 September 2025 (after trading hours), GSZ Company entered into the following mechanical and electrical engineering construction agreements with the respective contractors for the mechanical and electrical engineering construction works in connection with the Approved Road Section R&E Project:

1. the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) entered into with Guangdong Xinyue at a contract price of RMB422,290,446; and

2. the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) entered into with Beijing GK Feida at a contract price of RMB288,964,259.

2. MECHANICAL AND ELECTRICAL ENGINEERING CONSTRUCTION AGREEMENT (JD1 SECTION)

The major terms of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) are summarised as follows:

Date:	26 September 2025 (after trading hours)
Parties:	(i) GSZ Company, a deemed subsidiary of the Company (ii) Guangdong Xinyue, a connected person of the Company at subsidiary level
Subject Matter:	Guangdong Xinyue (as the contractor) shall undertake the construction of toll systems, surveillance systems, and communication systems, communication pipeline engineering and lead the overall joint debugging and testing of the electromechanical system of the road section starting from K2+270 and ending at K71+130.658 (excluding the scope of Luogang Interchange, Xintang Interchange, Huocun and Xinlian Interchange Hub) with a total length of approximately 68.861km.
Construction Period:	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 41 months.
Contract Price:	The contract price shall be RMB422,290,446, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and equipment, extension of the construction period, as well as change in the relevant PRC laws, regulations, industry standard and value-added tax. Upon satisfying the quality standards specified in the Mechanical and Electrical Engineering Construction Agreement (JD1 Section), a premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to Guangdong Xinyue.

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 Mechanical and Electrical Engineering Construction Agreement (JD1 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 Mechanical and Electrical Engineering Construction Agreement (JD1 Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on list budget preparation, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with the 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 Guangdong Xinyue after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of RMB422,290,446 was determined based on the bidding price provided by Guangdong Xinyue.

Advance Payment:

The advance payment amount is 10% of the contract price. The advance payment will be set off against the incurred contract amount at an agreed ratio upon the cumulative progress payment reaching 30% of the contract price and will be fully deducted when the cumulative progress payment reaches 80% of the contract price.

Payment Arrangement:

Incurred contract amount will be paid by GSZ Company to Guangdong Xinyue by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by Guangdong Xinyue 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 Guangdong Xinyue's obligation to rectify defects during the defect liability period (2 years from the date of entire completion and handover of the project).

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 Guangdong Xinyue 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 Guangdong Xinyue 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 Mechanical and Electrical Engineering Construction Agreement (JD1 Section), Guangdong Xinyue 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 Mechanical and Electrical Engineering Construction Agreement (JD1 Section) shall become effective upon Guangdong Xinyue having provided the performance guarantee and the parties having signed and stamped the contract.

3. THE MECHANICAL AND ELECTRICAL ENGINEERING CONSTRUCTION AGREEMENT (JD2 SECTION)

The major terms of the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) are summarised as follows:

Date: 26 September 2025 (after trading hours)

Parties:
(i) GSZ Company, a deemed subsidiary of the Company
(ii) Beijing GK Feida, an Independent Third Party

Subject Matter: Beijing GK Feida (as the contractor) shall undertake the construction of power supply and distribution (including external power supply) and lighting systems of the road section starting from K2+270 and ending at K71+130.658 (excluding the scope of Luogang Interchange, Xintang Interchange, Huocun and Xinlian Interchange Hub) with a total length of approximately 68.861km.

Construction Period:	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 41 months.
Contract Price:	The contract price shall be RMB288,964,259, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and equipment, extension of the construction period, as well as change in the relevant PRC laws, regulations, industry standard and value-added tax. Upon satisfying the quality standards specified in the Mechanical and Electrical Engineering Construction Agreement (JD2 Section), a premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to Beijing GK Feida. 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 Mechanical and Electrical Engineering Construction Agreement (JD2 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 Mechanical and Electrical Engineering Construction Agreement (JD2 Section). In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management and on list budget preparation, GSZ Company has prepared relevant tender documents and set maximum bid limits. After filing with the 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 Beijing GK Feida after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of RMB288,964,259 was determined based on the bidding price provided by Beijing GK Feida.

Advance Payment:	The advance payment amount is 10% of the contract price. The advance payment will be set off against the incurred contract amount at an agreed ratio upon the cumulative progress payment reaching 30% of the contract price and will be fully deducted when the cumulative progress payment reaches 80% of the contract price.
Payment Arrangement:	Incurred contract amount will be paid by GSZ Company to Beijing GK Feida by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by Beijing GK Feida 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 Beijing GK Feida's obligation to rectify defects during the defect liability period (2 years from the date of entire completion and handover of the project). 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 Beijing GK Feida 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 Beijing GK Feida 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 Mechanical and Electrical Engineering Construction Agreement (JD2 Section), Beijing GK Feida 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 Mechanical and Electrical Engineering Construction Agreement (JD2 Section) shall become effective upon Beijing GK Feida having provided the performance guarantee and the parties having signed and stamped the contract.

4. 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 is principally engaged in the construction, operation and management of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway. As at the date of this announcement, GSZ Company is owned as to 45% and 55% by Hopewell China Development (Superhighway) Limited (a non-wholly owned subsidiary of the Company) and Guangdong Highway Construction, respectively. GSZ Company is a deemed subsidiary of the Company.

Guangdong Xinyue

Guangdong Xinyue is a limited liability company established in the PRC. It is principally engaged in the integration of highway electromechanical systems, the research and development of intelligent transportation systems, and the operation and maintenance of electromechanical projects. Guangdong Xinyue is indirectly wholly owned by GPCG (ultimately controlled by the People's Government of Guangdong Province), a state-owned enterprise principally engaged in operation and construction of expressways and related investing and financing, transportation and logistics, ancillary resources comprehensive operations and related services, concurrently engaged in scientific research, design, supervision and other business related to its highway main business.

As GPCG is the holding company of Guangdong Highway Construction, which is the substantial shareholder of GSZ Company, Guangdong Xinyue is thus a connected person of the Company at the subsidiary level.

Beijing GK Feida

Beijing GK Feida is a limited liability company established in the PRC. It is principally engaged in construction engineering, including installation, maintenance and testing of power transmission, supply and receiving facilities. It is ultimately wholly owned by Ministry of Transport Highway Research Institute* (交通運輸部公路科學研究所).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Beijing GK Feida and its ultimate beneficial owner are the Independent Third Parties.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE MECHANICAL AND ELECTRICAL ENGINEERING CONSTRUCTION AGREEMENTS (JD1 AND JD2 SECTIONS)

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 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 Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) was ranked first in the bidding score of each bid section through a tender and bidding process which is regulated by the tendering and bidding laws and regulations in the PRC. Based on the relevant laws and regulations in the PRC and Guangdong Province, as well as the evaluation methods specified in the tender documents, the ranking was determined by an independent bid evaluation committee, the majority of whom were randomly selected from an external expert database.

Taking into account the reasons set out above, the Directors (including the independent non-executive Directors) consider that the terms of the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) and the transactions contemplated thereunder are fair and reasonable, entered into on normal commercial terms in the ordinary course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

The Mechanical and Electrical Engineering Construction Agreement (JD1 Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) exceed 5% but all of them are less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Given that Guangdong Xinyue is indirectly wholly owned by GPCG, which is the holding company of Guangdong Highway Construction (the substantial shareholder of GSZ Company), Guangdong Xinyue is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section), therefore, also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) is in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD1 Section) are only subject to reporting and announcement requirements but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Mechanical and Electrical Engineering Construction Agreement (JD2 Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) exceed 5% but all of them are less than 25%, the transactions contemplated under the Mechanical and Electrical Engineering Construction Agreement (JD2 Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As none of the Directors had any material interest in the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) and the transactions contemplated thereunder, none of the Directors had abstained from voting on the board resolutions approving the Mechanical and Electrical Engineering Construction Agreements (JD1 and JD2 Sections) and the transactions contemplated thereunder.

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.

"Approved Road Section"	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
"Beijing GK Feida"	Beijing GK Feida Traffic Engineering Co., Ltd.* (北京公科飛達交通工程發展有限公司), a limited liability company established in the PRC
"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))
"Director(s)"	the director(s) of the Company
"GPCG"	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
"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
"Guangdong Highway Construction"	Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GSZ Company and a company established in the PRC with limited liability and a non-wholly owned subsidiary of GPCG

"Guangdong Xinyue"	Guangdong Xinyue Transportation Investment Co., Ltd.* (廣東新粵交通投資有限公司), a limited liability company established in the PRC
"Independent Third Party(ies)"	third parties independent of and not being connected persons of the Company or its subsidiaries
"km"	kilometers
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mechanical and Electrical Engineering Construction Agreements (JD1 and JD 2 Sections)"	Mechanical and Electrical Engineering Construction Agreement (JD1 Section) and Mechanical and Electrical Engineering Construction Agreement (JD2 Section)
"Mechanical and Electrical Engineering Construction Agreement (JD1 Section)"	the mechanical and electrical engineering construction agreement (JD1 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機電工程施工合同(第 JD1 合同段)》) dated 26 September 2025 entered into between GSZ Company and Guangdong Xinyue
"Mechanical and Electrical Engineering Construction Agreement (JD2 Section)"	the mechanical and electrical engineering construction agreement (JD2 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機電工程施工合同(第 JD2 合同段)》) dated 26 September 2025 entered into between GSZ Company and Beijing GK Feida
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	holder(s) of the Share(s)
"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, 26 September 2025

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), Mr. Jianming WU* (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 Non-executive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE**

*** For identification purpose only***