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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 AND CONNECTED TRANSACTION
SZ CONSTRUCTION WORKS AGREEMENT (TJ2 SECTION)

SZ CONSTRUCTION WORKS AGREEMENT (TJ2 SECTION)

After the open tender and bidding process conducted through Guangzhou Public Resources Trading Center, GSZ Company selected Poly Changda as the winning bidder and entered into the SZ Construction Works Agreement (TJ2 Section) with it on 18 December 2025 (after trading hours). Pursuant to the SZ Construction Works Agreement (TJ2 Section), Poly Changda agreed to undertake construction works of SZ TJ2 Section in connection with the Approved SZ Road Section R&E Project at the contract fee of RMB1,447,779,999.

LISTING RULES IMPLICATIONS

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

Given that Poly Changda is an associate of Guangdong Highway Construction, the substantial shareholder of GSZ Company and thus a connected person at the subsidiary level of the Company, the transactions contemplated under the SZ Construction Works Agreement (TJ2 Section) also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

In respect of Chapter 14A of the Listing Rules, given the Directors (including all the independent non-executive Directors) have approved the SZ Construction Works Agreement (TJ2 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the SZ Construction Works Agreement (TJ2 Section) is in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole, the SZ Construction Works Agreement (TJ2 Section) and the transactions contemplated thereunder will only be subject to the reporting and announcement requirements, but exempt from independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 13 January 2026.

1. INTRODUCTION

Reference is made to the joint announcement issued by the Company, Shenzhen Expressway Corporation Limited and Shenzhen International Holdings Limited on 30 October 2023 in relation to the Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway R&E Project. As disclosed in the joint announcement, since Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway officially opened to traffic in 1997, its traffic volume has grown rapidly and nearly saturated currently. There is an urgent need for its reconstruction and expansion. The Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway R&E Project was divided into two sections, namely the Approved GZ-DG Road Section and the Approved SZ Road Section. Among which, Guangdong Provincial Development and Reform Commission approved the Approved GZ-DG Road Section R&E Project in August 2023, and GSZ Company is responsible for the investment in and construction of the project. The project has a total length of approximately 71.13 km, which mainly adopts the integral section method expansion in dual directions to a total of 10 lanes with an expected total investment amount of RMB29.4 billion. The Approved GZ-DG Road Section R&E Project has commenced since the end of 2023 and the project has now entered into the full implementation stage.

The Approved SZ Road Section R&E Project also obtained approval from the Guangdong Provincial Development and Reform Commission in June 2025 ("**Approved SZ Road Section R&E Project Approval**"), and will also be invested and constructed by GSZ Company. The Approved SZ Road Section R&E Project follows its original route, starting at the Dongbao River Bridge at the Dongguan-Shenzhen border of the Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway, and ending at the Huanggang Toll Station in Shenzhen, with a total length of approximately 47.07 km. According to the Approved SZ Road Section R&E Project Approval, the total investment in the project is approximately RMB21.433 billion, of which 25% will be self-funded by GSZ Company. The total investment of RMB21.433 billion for the Approved SZ Road Section R&E Project includes government subsidy and other sources.

According to the project schedule for the Approved SZ Road Section R&E Project, GSZ Company conducted various public tendering and bidding procedures through the Guangzhou Public Resources Trading Center in relation to the civil engineering construction works of the pilot section of the Approved SZ Road Section R&E Project. On 18 December 2025 (after trading hours), GSZ Company entered into the SZ Construction Works Agreement (TJ2 Section) with Poly Changda for the civil engineering works of SZ TJ2 Section of the Approved SZ Road Section R&E Project.

2. THE SZ CONSTRUCTION WORKS AGREEMENT (TJ2 SECTION)

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

Parties

(i) GSZ Company, a deemed subsidiary of the Company

(ii) Poly Changda, a connected person of the Company at subsidiary level

Subject Matter	Poly Changda (as the contractor) shall undertake the civil engineering construction works of road section starting from K75+605.341 and ending at K80+545.576 of the Approved SZ Road Section with a total length of approximately 4.94 km located in Bao'an District, Shenzhen. In connection with the civil engineering construction works, Poly Changda shall be mainly responsible for reconstruction of roadbed, bridges and culverts (excluding steel structure fabrication), interchanges, reserved and embedded works, tree transplantation projects, and related construction traffic organisation; reconstruction of 4 bridges (including 3 extra-large bridges), precast 2,338 beams and slabs; and reconstruction of Xinqiao Interchange and the connection to Songgang South Interchange.
Construction Period	66 months commencing from the date on which the supervisor of the construction project issues the works commencement notice. Poly Changda will be subject to a daily delay fee of RMB10,000 if there are any delays to the expected construction timetable and such delay is attributable to Poly Changda, subject to a maximum cap of 10% of the contract price. If the construction period is extended by more than 9 months due to reasons for which GSZ Company is responsible, GSZ Company shall compensate to Poly Changda (i) the rental fee of the construction site; (ii) the standby fees for the machinery and equipment that Poly Changda has brought in according to the agreement; and (iii) the salary expenses for the key management personnel on site.
Contract Price	The contract price shall be RMB1,447,779,999, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, such as price fluctuation of construction materials, change in the relevant PRC laws and industrial standards, delay in the construction period, etc.. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be additionally paid to Poly Changda if the quality of its works meets with the particular standards set by GSZ Company in accordance with the relevant documents and notices issued by the Guangdong Provincial Department of Transportation (廣東省交通運輸廳) . 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 SZ Construction Works Agreement (TJ2 Section). GSZ Company intends to finance the contract price by way of its internal resources and/or external bank.

Basis of Determination of Contract Price	GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the SZ Construction Works Agreement (TJ2 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 Poly Changda after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of RMB1,447,779,999 was determined based on the bidding price provided by Poly Changda.
Advance Payment	The advance payment amount is 10% of the contract price, which will be payable by GSZ Company to Poly Changda by instalments after signing of the SZ Construction Works Agreement (TJ2 Section) and submission of the relevant applications for advance payment by Poly Changda. 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 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 Poly Changda by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by Poly Changda 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	Quality guarantee deposit in the amount equivalent to 3% of the contract price is intended to ensure the fulfillment of Poly Changda's obligation to rectify defects during the defect liability period (2 years from the actual completion date of the entire route 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 Poly Changda 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 Poly Changda 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 SZ Construction Works Agreement (TJ2 Section), Poly Changda 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 SZ Construction Works Agreement (TJ2 Section) shall become effective upon Poly Changda having provided the performance guarantee, the parties having signed and stamped the contract and GSZ Company or its superior entity having obtained its shareholders' approval and other required authorities' approvals.

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 construction, operation and management of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, which 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.

Poly Changda

Poly Changda is a limited liability company established in the PRC. It is an enterprise integrating engineering construction, design, maintenance, investment and other businesses. Poly Changda has highway engineering construction general contracting qualification, highway industry design qualification and engineering general contracting qualifications for port, municipal, construction and railway. To the best of the Directors' knowledge, information and belief, Poly Changda is owned as to (i) approximately 37.60% by GPCG, the holding company of Guangdong Highway Construction, being the substantial shareholder of GSZ Company; and (ii) approximately 62.40% (in aggregate) by Independent Third Parties.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE SZ CONSTRUCTION WORKS AGREEMENT (TJ2 SECTION)

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the SZ Construction Works Agreement (TJ2 Section) is a part of the implementation of the Approved SZ Road Section R&E Project. The implementation of Approved SZ Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved SZ 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.

Poly Changda was selected as the winning bidder for the SZ Construction Works Agreement (TJ2 Section) as it ranked first among the bidders in the tenders through a standardised tender and bidding process which is regulated by the bidding laws and regulations in the PRC. Pursuant to the abovementioned laws and regulations, the bidder with the highest overall score shall be ranking first and confirmed as the winning bidder. The score was determined by an independent tender committee (with the majority of candidates randomly selected by GSZ Company from an external expert database) based on a rating scale taking into account a standard set of factors as set out in the bidding documents, which may include but are not limited to the bidding price, construction organisation and design, historical performance, technical proposal, key personnel and/or contract performance reputation of the bidders.

Taking into account the reasons set out above, the Directors (including all the independent non-executive Directors) consider that the terms of the SZ Construction Works Agreement (TJ2 Section) and the transactions contemplated thereunder are on normal commercial terms in the ordinary course of business of the Group, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

5. LISTING RULES IMPLICATIONS

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

Given that Poly Changda is an associate of Guangdong Highway Construction, the substantial shareholder of GSZ Company and thus a connected person at the subsidiary level of the Company, the transactions contemplated under the SZ Construction Works Agreement (TJ2 Section) also constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

In respect of Chapter 14A of the Listing Rules, given the Directors (including all the independent non-executive Directors) have approved the SZ Construction Works Agreement (TJ2 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the SZ Construction Works Agreement (TJ2 Section) is in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole, the SZ Construction Works Agreement (TJ2 Section) and the transactions contemplated thereunder will only be subject to the reporting and announcement requirements, but exempt from independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 SZ Construction Works Agreement (TJ2 Section) 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 13 January 2026.

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 SZ 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 GZ-DG 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 GZ-DG Road Section R&E Project"	the reconstruction and expansion project of the Approved GZ-DG Road Section approved by Guangdong Provincial Development and Reform Commission on 22 August 2023
"Approved SZ Road Section"	Shenzhen section of the Beijing-Hong Kong-Macao Expressway (京港澳高速公路深圳段)
"Approved SZ Road Section R&E Project"	the reconstruction and expansion project of the Approved SZ Road Section approved by Guangdong Provincial Development and Reform Commission on 7 June 2025
"Board"	the board of Directors
"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
"Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway"	the Guangzhou-Shenzhen section of G4 Beijing-Hong Kong-Macao Expressway, which starts from Huangcun Interchange in Guangzhou in the north and ends at Huanggang Port in Shenzhen in the south with a total length of 122.8 km
"Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway R&E Project"	the reconstruction and expansion project of the Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway, which comprises the Approved GZ-DG Road Section R&E Project and the Approved SZ Road Section R&E Project

"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
"Independent Third Parties"	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
"Poly Changda"	Poly Changda Engineering Company Limited * (保利長大工程有限公司) is a limited liability company established in the PRC
"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)
"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 Corporation Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SZ Construction Works Agreement (TJ2 Section)"	the civil engineering construction works agreement (TJ2 Section) under the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway (TJ2 section)* (《京港澳高速公路深圳段改擴建項目土建工程施工合同（ 第 TJ2 合同段）》) dated 18 December 2025 and entered into between GSZ Company and Poly Changda

"SZ TJ2 Section"	the road section which starts from K75+605.341 to K80+545.576 of the Approved SZ Road Section with a total length of approximately 4.94 km
"%"	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, 18 December 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. Xiao YANG* 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*