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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
LG CONSTRUCTION WORKS AGREEMENT (TJ1 SECTION)

LG CONSTRUCTION WORKS AGREEMENT (TJ1 SECTION)

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, GSZ Company selected Poly Changda as the winning bidder and entered into the LG Construction Works Agreement (TJ1 Section) with it on 29 December 2025 (after trading hours). Pursuant to the LG Construction Works Agreement (TJ1 Section), Poly Changda agreed to undertake construction works of LG TJ1 Section in connection with the Luogang Interchange Reconstruction Project at the contract fee of RMB775,186,668.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the transactions under the LG Construction Works Agreement (TJ1 Section) exceeds 5% but is less than 25%, the transactions contemplated under the LG Construction Works Agreement (TJ1 Section) constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement 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 LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 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.

None of the Directors has any material interest in the LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving the LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder.

1. INTRODUCTION

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, GSZ Company selected Poly Changda as the winning bidder and entered into the LG Construction Works Agreement (TJ1 Section) (after trading hours) with it on 29 December 2025.

2. THE LG CONSTRUCTION WORKS AGREEMENT (TJ1 SECTION)

A summary of the key terms of the LG Construction Works Agreement (TJ1 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 construction of roadbed, pavement, bridges, tunnels, pile foundations and caps of the superstructure, traffic safety facilities, and utility lines relocation works of the road section which starts from K13+200 to K15+650, with a total length of approximately 2.456 km (namely the LG TJ1 Section) in the Luogang Interchange Reconstruction Project.
Construction Period	42 months commencing from the date on which the supervisor of the construction project instructs to commence construction. 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 6 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 RMB775,186,668, 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 LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 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 RMB775,186,668 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 LG Construction Works Agreement (TJ1 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	Within 14 days after the completion handover acceptance of the project and the issuance of the completion handover acceptance certificate, Poly Changda shall provide the quality guarantee deposit in the amount equivalent to 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of Poly Changda's obligation to rectify defects during the defect liability period (2 years from the actual handover 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 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 LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 Section) shall become effective upon Poly Changda 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 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 LG CONSTRUCTION WORKS AGREEMENT (TJ1 SECTION)

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the LG Construction Works Agreement (TJ1 Section) is a part of the implementation of the Luogang Interchange Reconstruction Project approved by Guangdong Provincial Development and Reform Commission on 9 March 2022. Luogang Interchange is one of the interchange connections along Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway. The implementation of the Luogang Interchange Reconstruction Project will help to enhance the traffic capacity and service level of Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, 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 LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms in the ordinary course of business of the Group 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 under the LG Construction Works Agreement (TJ1 Section) exceeds 5% but is less than 25%, the transactions contemplated under the LG Construction Works Agreement (TJ1 Section) constitute a discloseable transaction of the Company and are therefore subject to the notification and announcement 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 LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the LG Construction Works Agreement (TJ1 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 LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder will only be subject to the reporting and announcement requirements, but exempt from and independent financial advice and independent Shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

None of the Directors has any material interest in the LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving the LG Construction Works Agreement (TJ1 Section) and the transactions contemplated thereunder.

It is anticipated that the Group and GSZ Company (a deemed subsidiary of the Company) may enter into agreement(s) in relation to certain transactions to be carried out under the Luogang Interchange Reconstruction 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.

"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
"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
"LG Construction Works Agreement (TJ1 Section)"	the civil engineering construction works agreement (TJ1 section) under the reconstruction project of Luogang Interchange of the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway * (《京港澳高速公路廣州至深圳段蘿崗立交改造工程土建工程施工第 TJ1 合同段施工承包合同》) dated 29 December 2025 and entered into between GSZ Company and Poly Changda

"LG TJ1 Section"	the road section which starts from K13+200 to K15+650, with a total length of approximately 2.456 km
"Luogang Interchange"	an interchange located in Huangpu District of Guangzhou City, the PRC, one of the interchange connections along Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway
"Luogang Interchange Reconstruction Project"	the reconstruction project of the Luogang Interchange approved by Guangdong Provincial Development and Reform Commission on 9 March 2022 which is part of the reconstruction and expansion project of the Guangzhou to Shenzhen section of the Beijing-Hong Kong-Macao Expressway
"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)
"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, 29 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*