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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)

CONNECTED TRANSACTION
DIGITAL TRANSFORMATION CONSTRUCTION WORKS AGREEMENT

DIGITAL TRANSFORMATION CONSTRUCTION WORKS AGREEMENT

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, the Contractor was selected as the winning bidder and entered into the Digital Transformation Construction Works Agreement with GZ West JV on 30 April 2026 (after trading hours), pursuant to which the Contractor agreed to undertake the infrastructure digital transformation and upgrading construction works of GZ West Superhighway at the contract price of RMB36,067,596.

LISTING RULES IMPLICATIONS

Given that the Contractor is a subsidiary of GPCG, the holding company of Guangdong Highway Construction, and Guangdong Highway Construction is the substantial shareholder of GZ West JV (a deemed subsidiary of the Company), the Contractor is an associate of Guangdong Highway Construction and thus a connected person of the Company at subsidiary level. Accordingly, the transactions contemplated under the Digital Transformation Construction Works Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Previous Construction Works Agreements were entered into between GZ West JV and the subsidiaries of GPCG (i.e. connected persons of the Company at subsidiary level), and thus the transactions under the Previous Construction Works Agreements were connected transactions of the Company under Chapter 14A of the Listing Rules as well.

As the Previous Construction Works Agreements and the Digital Transformation Construction Works Agreement have the same ultimate connected counterparty and are of similar transaction nature, and the transactions thereunder are carried out within 12 months prior to the date of the Digital Transformation Construction Works Agreement, such transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

All applicable percentage ratios in respect of the Previous Construction Works Agreements, whether on an aggregated or stand-alone basis, were less than 1%, and thus each and all of the Previous Construction Works Agreements are exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

All applicable percentage ratios in respect of the Digital Transformation Construction Works Agreement, on stand-alone basis, were less than 1%, and thus the Digital Transformation Construction Works Agreement is exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Previous Construction Works Agreements and the Digital Transformation Construction Works Agreement, on an aggregate basis, exceeds 1% but are less than 5%, such transactions are therefore subject to the reporting and announcement requirements but is exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

1. DIGITAL TRANSFORMATION CONSTRUCTION WORKS AGREEMENT

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, the Contractor was selected as the winning bidder and entered into the Digital Transformation Construction Works Agreement with GZ West JV on 30 April 2026 (after trading hours), the principal terms of which are as follows:

Parties:	(i) GZ West JV, a deemed subsidiary of the Company (ii) the Contractor, a connected person of the Company at subsidiary level
Subject Matter:	The Contractor shall undertake the intelligent transformation construction work of 11 toll stations and 2 pair of service areas within the GZ West Superhighway, including self-service lanes, smart card-issuing and payment machines, vehicle type recognition device, two-in-one automatic barrier gates, folding screens, high-definition cameras, vehicle inspection instruments, as well as the procurement of related supporting systems and construction materials.
Construction Period:	20 months from the date of the supervisor's instruction to commence work.
Contract Price:	The contract price shall be RMB36,067,596. The contract price will not be adjusted save for the following circumstances: (i) where works are varied, omitted, added or otherwise modified, including changes to quantities, materials, specifications, dimensions or newly added items (including electromechanical equipment); (ii) where emergency works are instructed under the variation procedures; or (iii) where a price dispute arises in respect of variation works requiring determination in accordance with the contractual pricing principles and approved procedures.

GZ West JV 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 Digital Transformation Construction Works Agreement.

GZ West JV intends to finance the contract price by way of its internal resources.

Basis of Determination of Contract Price:

Through the open tender process conducted at Guangzhou Public Resources Trading Center, the Contractor was selected as the winning bidder for the Digital Transformation Construction Works Agreement.

In accordance with the relevant regulations and management documents of the PRC and Guangdong Province on tendering and bidding management, the tender documents with maximum bid limits were prepared and published on Guangzhou Public Resources Trading Center; and 5 bidders participated in the open bidding process.

A bid evaluation committee was established with 9 members in accordance with the requirements of relevant laws and regulations to determine the winning bidder. Among which, 6 members, who are independent of GZ West JV, the Company and GPCG, were randomly selected from an external expert database. After considering each of the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively, the bid was awarded to the Contractor since it scored the highest. The contract price of RMB36,067,596 was the same as the bidding price provided by the Contractor.

Advance Payment:

The advance payment amount is 30% of the contract price payable by GZ West JV to the Contractor, of which (i) 30% of the advance payment amount is payable upon signing of the Digital Transformation Construction Works Agreement; (ii) 30% of the advance payment amount is payable upon the site establishment works by the Contractor having been completed and passed inspection, and after the promised key personnel and equipment arrive on site; and (iii) 40% of the advance payment amount is payable upon the Contractor having submitted the proposed alternative brands regarding the list of materials for GZ West JV's review and confirmation, and upon the Contractor having signed the purchase contract or proposed purchase contract for the corresponding equipment.

The advance payment may be set off against the incurred contract price 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:

The Contract Price shall be payable in accordance with the following schedule:

(i) upon delivery of the construction equipment to site and after inspection and acceptance by the supervisor and GZ West JV's representative, 80% of the equipment price (excluding installation costs) shall be paid;

(ii) relevant interim payments shall be calculated and made in accordance with the actual progress of the works, provided that prior to the issuance of the completion certificate for the relevant section or sub-item of the works, payment shall not exceed 90% of the relevant section or sub-item amount;

(iii) a "Competitive Assessment Award", which has already embedded in the contract price, linked to the planned construction period shall be assessed separately for the years 2026 and 2027, with 50% of the total award amount for each year; and

(iv) in the following year, the "Competitive Assessment Award" for the preceding year shall be calculated and paid based on the evaluation results issued by the Ministry of Transport and the Ministry of Finance, with 100% of the annual award payable for a Grade A rating, 60% payable for a Grade B rating, and no payment made for a Grade C and D rating.

Quality Guarantee Deposit and Defect and Responsibility Period:

Within 14 days after the completion handover acceptance of the project and the issuance of the completion handover acceptance certificate, the Contractor shall provide the quality guarantee deposit in the amount equivalent to 3% of the contract price to GZ West JV.

Except for the 3% of the total procurement cost of equipment such as self-service payment machines, self-service card-issuing machines and integrated dual-function barrier gates, 100% of the quality guarantee deposit shall be refunded by GZ West JV to the Contractor on condition that GZ West JV and the Contractor have signed the settlement agreement and the Contractor has fulfilled all its obligations under the defect liability period pursuant to the contract (2 years from the handover and/or completion acceptance date) and the works quality is verified as qualified upon inspection.

Upon 5 years from the handover and/or completion acceptance date, the remaining quality guarantee deposit shall be refunded to the Contractor in a lump sum on condition that the Contractor has fulfilled its defect liability obligations pursuant to the contract in respect of self-service payment machines, self-service card-issuing machines and integrated dual-function barrier gates and upon verification of qualified quality after inspection.

Performance Guarantee:	Within 28 days after receiving the letter of acceptance and before the signing of the Digital Transformation Construction Works Agreement, the Contractor shall provide a performance guarantee in the amount equivalent to 10% of the contract price in the form of cash (or cheque), bank guarantee (issued by a prefectural-level branch or higher-level institution of a state-owned commercial bank or joint-stock commercial bank) or other legal means. In addition, after receiving the letter of acceptance and before the signing of the Digital Transformation Construction Works Agreement, the Contractor shall provide a wage guarantee of RMB600,000 in the form of cash or bank guarantee.
Effectiveness	The Digital Transformation Construction Works Agreement shall become effective upon the Contractor having provided the performance guarantee and the parties having signed and stamped the contract.

2. PREVIOUS CONSTRUCTION WORKS AGREEMENTS

Within the 12-month period prior to the date of the Digital Transformation Construction Works Agreement, GZ West JV had entered into 6 construction works agreements in relation to GZ West Superhighway with the subsidiaries of GPCG (a connected person of the Company at subsidiary level), a summary of which is as follows:

	Date	Connected contractor	Contracted work	Contract Price *(RMB)*
1	5 Aug 2025	GD Xinyue	Retrofit construction work of axle-group-type weighing equipment	908,200
2	14 Nov 2025	GZ Xinyue	Special preventive maintenance work of pavement	7,764,302
3	14 Nov 2025	GZ Xinyue	Preventive maintenance work of pavement at Nanya Toll Station	6,736,930
4	28 Nov 2025	GD Xinyue	Construction work of adding mainline variable message signs (VMS)	242,960
5	28 Nov 2025	GD Xinyue	Construction work of replacing and retrofitting road and tunnel lighting fixtures	713,486
6	23 Dec 2025	GD Xinyue	Renewal of traffic safety facilities	12,752,759
			Total:	**29,118,637**

While the specific details including but not limited to the construction works to be carried out, contract price, construction period and work arrangements are different from one another, the framework of the principal terms of the Previous Construction Works Agreements is generally in line with that as set out in the Digital Transformation Construction Works Agreement. The contract prices of each of the Previous Construction Works Agreements were also determined by similar open tendering, invitation to tender, inquiry and other fully competitive negotiations process and mechanism as set out in the sub-section "*1. Digital Transformation Construction Works Agreement - Basis of Determination of Contract Price*" above.

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.

GZ West JV

GZ West JV (a deemed subsidiary of the Company) is principally engaged in the construction, operation and management of the GZ West Superhighway, which is owned as to 50% by Hopewell Guangzhou-Zhuhai Superhighway Development Limited (a wholly owned subsidiary of the Company) and 50% by Guangdong Highway Construction.

Connected contractors

The Contractor, Guangdong Lulutong Company Limited* (廣東路路通有限公司), is a company incorporated in the PRC. It is a comprehensive highway construction enterprise integrating highway electromechanical engineering, civil engineering construction and maintenance, as well as intelligent transportation and enterprise information technology services.

GD Xinyue is a company incorporated in the PRC, a high-tech enterprise principally engaged in highway electromechanical system integration, highway electromechanical system operation and maintenance, traffic safety facility engineering, and R&D and sales of intelligent transportation software and hardware products.

GZ Xinyue is a company incorporated in the PRC principally engages in technology import and export; goods import and export; and highway and waterway engineering testing and inspection services.

To the best of the Directors' knowledge, information and belief, the ultimate beneficial owner of each of the above connected contractors is GPCG. GPCG is a wholly state-owned enterprise incorporated in the PRC which is principally engaged in the investment, construction, and operation of expressways; passenger and freight road transport; modern logistics; highway design, construction, and supervision; and intelligent transportation in Guangdong Province.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE DIGITAL TRANSFORMATION CONSTRUCTION WORKS AGREEMENT

The purpose of entering into the Digital Transformation Construction Works Agreement is to address that the digital transformation and upgrading of highway infrastructure is a key national strategic project, enabling highways to be more intelligent, more efficient, safer, and more economical; big data and contactless toll collection alleviate congestion, real-time perception improves driving safety, digital twins enable precise maintenance, and provide services such as lane-level navigation and charging station location enquiry, laying the foundation for vehicle-road cooperation and autonomous driving. The construction of smart toll stations and smart service areas will help to enhance the traffic capacity and service level of the GZ West Superhighway, and strengthen the core competitiveness of the Group in the toll road industry, which is in line with the development strategy of the Group.

Taking into account the reasons set out above, the Directors (including all the independent non-executive Directors) consider that the terms of the Digital Transformation Construction Works Agreement 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.

None of the Directors has any material interest in the Digital Transformation Construction Works Agreement and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving the Digital Transformation Construction Works Agreement and the transactions contemplated thereunder.

5. LISTING RULES IMPLICATIONS

Given that the Contractor is a subsidiary of GPCG, the holding company of Guangdong Highway Construction, and Guangdong Highway Construction is the substantial shareholder of GZ West JV (a deemed subsidiary of the Company), the Contractor is an associate of Guangdong Highway Construction and thus a connected person of the Company at the subsidiary level. Accordingly, the transactions contemplated under the Digital Transformation Construction Works Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Previous Construction Works Agreements were entered into between GZ West JV and the subsidiaries of GPCG (i.e. connected persons of the Company at subsidiary level), and thus the transactions under the Previous Construction Works Agreements were connected transactions of the Company under Chapter 14A of the Listing Rules as well.

As the Previous Construction Works Agreements and the Digital Transformation Construction Works Agreement have the same ultimate connected counterparty and are of similar transaction nature, and the transactions thereunder are carried out within 12 months prior to the date of the Digital Transformation Construction Works Agreement, such transactions are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

All applicable percentage ratios in respect of the Previous Construction Works Agreements, whether on an aggregated or stand-alone basis, were less than 1%, each and all of the Previous Construction Works Agreements are exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

All applicable percentage ratios in respect of the Digital Transformation Construction Works Agreement, on stand-alone basis, were less than 1%, and thus the Digital Transformation Construction Works Agreement is exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Previous Construction Works Agreements and the Digital Transformation Construction Works Agreement, on an aggregate basis, exceeds 1% but are less than 5%, such transactions are therefore subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under Chapter 14A of the Listing Rules.

"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)
"Contractor"	Guangdong Lulutong Company Limited* (廣東路路通有限公司), a company incorporated in the PRC and a subsidiary of GPCG
"Digital Transformation Construction Works Agreement"	Construction Works Agreement for GZ West Superhighway of the Digital Transformation and Upgrade Project (Smart Toll Station and Smart Service Area) for Highway Transportation Infrastructure on the Operating Road Sections under Guangdong Provincial Highway Construction Company Limited* (《廣東省公路建設有限公司所屬營運路段公路交通基礎設施數字化轉型升級（智慧站點、智慧服務區）項目施工（廣珠西綫）合同文件》) dated 30 April 2026 entered into between GZ West JV and the Contractor
"Director(s)"	the director(s) of the Company
"GD Xinyue"	Guangdong Xinyue Transportation Investment Co., Ltd.* (廣東新粵交通投資有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of GPCG
"GPCG"	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), a state-owned enterprise incorporated in the PRC, and is owned by the Guangdong Provincial People's Government
"Greater Bay Area"	Guangdong-Hong Kong-Macao Greater Bay Area
"Group"	the Company and its subsidiaries
"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 GZ West JV, and a company established in the PRC with limited liability and a non wholly-owned subsidiary of GPCG

"GZ West JV"	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited (廣東廣珠西綫高速公路有限公司), the joint venture established by the Group and Guangdong Highway Construction in Guangzhou City, Guangdong Province of the PRC on 17 September 2003 and was deemed as a subsidiary of the Company when fulfilling certain agreed obligations/responsibilities under Listing Rules pursuant to the Listing Agreement entered into between the Company and the Stock Exchange on 7 August 2003
"GZ West Superhighway"	Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route
"GZ Xinyue"	Guangzhou Xinyue Transportation Technology Co., Ltd.* (廣州新粵交通技術有限公司), a company incorporated in the PRC and a wholly-owned subsidiary of GPCG
"Independent Third Parties"	third parties independent of and not being connected persons of the Company or its subsidiaries
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China
"Previous Construction Works Agreements"	6 construction works agreements entered into between GZ West JV and the subsidiaries of GPCG within the 12-month period prior to the date of the Digital Transformation Construction Works Agreement, details of which are set out in the section headed "*2. Previous Construction Works Agreements*" in this announcement
"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, 30 April 2026

As at the date of this announcement, the Board comprises three Executive Directors namely, Mr. Jianming WU (Chairman and General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); three Non-executive Directors namely, Ms. Guiping ZHAO*, 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*