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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)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Financial adviser to the Company

CICC 中金公司

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 12 June 2026 (after trading hours), the Company has entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 250,000,000 Subscription Shares, representing (i) approximately 8.11% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 7.50% of the total number of issued Shares as enlarged by the issue of the Subscription Shares, assuming there will be no other changes in the total number of issued Shares between the date of this announcement and the completion of the Subscription. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the Subscriber, its holding company and ultimate controlling shareholder(s) are Independent Third Parties.

The Subscription Price of HK$1.8335 per Subscription Share represents (i) a discount of approximately 5.00% to the closing price of HK$1.93 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 5.49% to the average of the closing prices per Share of approximately HK$1.94 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Subscription Shares will be allotted and issued under the General Mandate. The allotment and issuance of the Subscription Shares is not subject to separate Shareholders' approval. The Company will make an application to the Stock Exchange for the grant of the listing of and permission to deal in the Subscription Shares.

The total proceeds from the Subscription will be HK$458,375,000, while the net proceeds (after deducting expenses related to the Subscription) will be approximately HK$456 million, equivalent to a net issue price of about HK$1.824 per Subscription Share. The Company intends to apply the net proceeds from the Subscription as follows: (i) approximately 60% for capital investment in the reconstruction and expansion of the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway; and (ii) approximately 40% for potential land development and utilisation along the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway, other business expansion and to supplement the general working capital of the Group, etc..

Completion of the Subscription is subject to the fulfilment of the conditions precedent in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 12 June 2026 (after trading hours), the Company has entered into the Subscription Agreement with the Subscriber, pursuant to which the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, an aggregate of 250,000,000 Subscription Shares at the Subscription Price, on the terms and subject to the conditions set out in the Subscription Agreement.

The Subscription Agreement

The principal terms and conditions of the Subscription Agreement are set out below:

Date: 12 June 2026 (after trading hours)

Parties: (1) the Company (as the issuer); and
(2) the Subscriber (as the subscriber)

Number of Subscription Shares

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue, and the Subscriber has conditionally agreed to subscribe for, 250,000,000 Subscription Shares.

Assuming there will be no other changes in the total number of issued Shares between the date of this announcement and the completion of the Subscription, the Subscription Shares represent (i) approximately 8.11% of the existing total number of issued Shares as at the date of this announcement; and (ii) approximately 7.50% of the total number of issued Shares as enlarged by the issue and allotment of the Subscription Shares. The aggregate nominal value of the Subscription Shares will be HK$25,000,000.00.

Ranking of Subscription Shares

The Subscription Shares shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of this announcement.

Subscription Price

The Subscription Price of HK$1.8335 per Subscription Share represents:

(i) a discount of approximately 5.00% to the closing price of HK$1.93 per Share as quoted on the Stock Exchange on the Last Trading Day; and

(ii) a discount of approximately 5.49% to the average closing prices of approximately HK$1.94 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The Subscription Price was negotiated on arm's length basis between the Company and the Subscriber and determined after taking into consideration the audited net asset value per Share as at 31 December 2025, the current market price of the Shares, and the recent price performance of the Shares.

Based on the Subscription Price of HK$1.8335 per Subscription Share and the 250,000,000 Subscription Shares to be allotted and issued, the total consideration payable by the Subscriber to the Company pursuant to the Subscription Agreement amounts to HK$458,375,000, which will be settled in cash.

Conditions precedent of the Subscription Agreement

Completion of the Subscription is conditional upon the following conditions precedent being fulfilled:

(i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Subscription Shares, and such approval not having been withdrawn or revoked;

(ii) all necessary authorisations, consents, approvals and permissions in respect of the entering into and the performance of the transactions contemplated under the Subscription Agreement required to be obtained on the part of the Company and the Subscriber respectively having been obtained from any regulatory authority;

(iii) all necessary approval from the Shareholders in respect of the Subscription having been obtained, if required under the Listing Rules;

(iv) the warranties provided by the Company remaining true and accurate and not misleading and the Company having complied with its obligations and undertakings under the Subscription Agreement;

(v) the warranties provided by the Subscriber remaining true and accurate and not misleading and the Subscriber having complied with its obligations and undertakings under the Subscription Agreement;

(vi) the listing of the Shares not having been revoked and the Shares continuing to be listed on the Stock Exchange before completion of the Subscription;

(vii) no occurrence of any Material Adverse Change on the Company; and

(viii) the Company and the Subscriber having complied with all applicable laws, rules (including the Listing Rules) and regulations in respect of the Subscription Agreement and the transactions contemplated thereunder.

Both parties shall use their reasonable best efforts to procure the fulfilment of the above conditions precedent. If the above conditions precedent are not satisfied and/or waived (to the extent permitted under applicable laws, rules and regulations) on or before the Long Stop Date, the Subscription Agreement will be terminated, and neither party shall have obligations and liabilities against the other thereafter. As at the date of this announcement, the condition precedent under (iii) above has already been fulfilled as the Subscription Shares will be issued pursuant to the General Mandate and no separate Shareholders' approval is required. The condition precedent under (i) above cannot be waived.

Completion of the Subscription

Completion of the Subscription shall take place on a date falling within ten (10) Business Days after the date of the fulfilment (or waiver (where applicable)) of the conditions precedent as set out in the paragraph headed "Conditions precedent of the Subscription Agreement" above to be agreed between the Company and the Subscriber in writing (including emails).

Nomination right

Pursuant to the Subscription Agreement, the Subscriber is entitled to a right to nominate one non-executive Director so long as the requirements under the Articles of Association of the Company, the Listing Rules and other applicable laws are complied with. The Subscriber is entitled to enjoy such nomination right as long as the Subscriber holds not less than 3% of the Shares in issue. The Company shall procure the appointment of the individual nominated by the Subscriber as a new non-executive Director within 40 Business Days after the completion of the Subscription Agreement.

GENERAL MANDATE

The Subscription Shares will be allotted and issued under the General Mandate, subject to the limit of up to 20% of the total number of issued Shares as at the date of the 2025 AGM. Under the General Mandate, the Company is authorised to issue up to 616,338,056 new Shares. Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issuance of the Subscription Shares is not subject to separate Shareholders' approval.

POSSIBLE ADJUSTMENT TO PROPOSED FINAL DIVIDEND

The proposed final dividend of RMB7.60 cents per Share for the year ended 31 December 2025 announced by the Company on 18 March 2026, was determined with reference to approximately 100% of the Group's profit attributable to equity shareholders for 2025 of RMB467.53 million as the basis for calculating the aggregate regular dividend (including interim dividend of RMB232.67 million for 2025 which had been paid and the proposed final dividend of RMB234.21 million for 2025) and the total number of 3,081,690,283 Shares in issue at that time. As disclosed in the Company's circular dated 1 June 2026, if there is any change in the total number of issued Shares prior to the record date for the distribution of final dividend, the total amount of regular dividends proposed for distribution by the Company shall remain unchanged, and the amount of dividend per Share shall be adjusted accordingly based on the then total number of issued Shares.

If Subscription is completed before the record date for determining entitlement to the final dividend for the year ended 31 December 2025 (Subscription may or may not proceed and is subject to, among other things, the fulfillment of the conditions precedent of the Subscription Agreement), the number of Shares in issue will increase to 3,331,690,283 Shares and the proposed final dividend will be adjusted to RMB7.0297 cents per Share (equivalent to HK$7.995721 cents per Share at the exchange rate of RMB1:HK$1.13742). The Company may adjust the record date for determining entitlement to the final dividend for the year ended 31 December 2025, and other related arrangements as appropriate, depending on the progress of the Subscription.

INFORMATION ON THE COMPANY

The Company is an investment holding company. 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.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in infrastructure investment, construction and operation, construction project management, and import and export trade. The Subscriber is a direct wholly owned subsidiary of Shandong Hi-speed, a company established under the law of the PRC and listed on the Shanghai Stock Exchange (Security code: 600350). Shandong Hi-speed is held as to 63.57% by its controlling shareholder, Shandong High-Speed Group Co., Ltd. (ultimately controlled by the Shandong Provincial State-owned Assets Supervision and Administration Commission). Shandong Hi-speed primarily focuses on investing in and operating transportation infrastructure, as well as equity investments in related industries within the highway industrial chain.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, the Subscriber, its holding company and ultimate controlling shareholder(s) are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group's core expressway asset, the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway, is currently undergoing reconstruction and expansion in two phases. Implementing the reconstruction and expansion of the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway will help enhance the overall traffic capacity and service quality of the route, strengthen the Group's core competitiveness in the toll road industry, and align with the Group's development strategy. At the same time, the Company is actively integrating expressway reconstruction and expansion with land development along the route, promoting coordinated growth between road assets and land development, thereby creating greater value for the Company and the Shareholders. As the reconstruction project progresses and potential land development projects along the route advance, rigid demands for capital investment and operating funds will arise.

Therefore, the Subscription will effectively strengthen cash reserves, provide the necessary funding support for implementing the reconstruction and expansion of the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway and potential land development projects along the route, while also reducing the Company's asset-liability ratio, enhancing debt financing capacity, optimising the financial cost structure, and improving resilience against financial risks, thereby laying a solid financial foundation for the Company's sustainable development in the future. On the other hand, through the Subscription, the Company will introduce the Subscriber as the Shareholder. The Subscriber is wholly owned by Shandong Hi-speed, which has extensive experience in the investment and operation of transportation infrastructure, and has established a full industrial chain layout centred on the expressway sector as well as its upstream and downstream related industries, delivering strong resource synergy with the Company. This will help to broaden development horizons, explore wider regional development strategies, promote business collaboration and industrial upgrading, and carry significant strategic importance for achieving the Company's long-term sustainable growth.

The total proceeds from the Subscription will be HK$458,375,000, while the net proceeds (after deducting expenses related to the Subscription) will be approximately HK$456 million, equivalent to a net issue price of about HK$1.824 per Subscription Share. The Company intends to apply the net proceeds from the Subscription as follows: (i) approximately 60% for capital investment in the reconstruction and expansion of the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway; and (ii) approximately 40% for potential land development and utilisation along the Guangzhou-Shenzhen Section of Beijing-Hong Kong-Macao Expressway, other business expansion, and to supplement the general working capital of the Group, etc..

The Directors consider that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable based on the current market conditions. Hence, the Directors consider that the Subscription (including the Subscription Price) is in the interests of the Company and the Shareholders as a whole.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the total number of issued Shares is 3,081,690,283 Shares. For illustrative purpose only, assuming that there is no other change in the total number of issued Shares from the date of this announcement up to the completion of the Subscription, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the completion of the Subscription, are set out below:

	As at the date of this announcement		**Immediately upon completion of the Subscription**	
Name of the Shareholders	**No. of Shares**	**Approx. %**	**No. of Shares**	**Approx. %**
Controlling Shareholder				
SIICHIC *(Notes 1)*	2,213,449,666 *(Note 1)*	71.83%	2,213,449,666 *(Note 1)*	66.44%
Shares held by public Shareholders				
The Subscriber	-	-	250,000,000	7.50%
Other public Shareholders	868,240,617	28.17%	868,240,617	26.06%
Total number of Shares in issue	3,081,690,283	100.00%	3,331,690,283	100.00%

Notes:

(1) These 2,213,449,666 Shares are held by SIICHIC, an indirect wholly-owned subsidiary of Shenzhen Expressway.

(2) The percentages are subject to rounding difference, if any.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY DURING THE PAST TWELVE MONTHS

The Company has not conducted any fund-raising activities involving issue of equity securities during the 12 months immediately preceding the date of this announcement.

APPLICATION FOR LISTING

The Company will make an application to the Stock Exchange for the grant of the listing of and permission to deal in the Subscription Shares.

WARNING

Completion of the Subscription is subject to the fulfilment of the conditions precedent in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"2025 AGM"	the annual general meeting of the Company held on 21 May 2025
"Board"	the board of Directors
"Business Day"	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong and the PRC are open for normal banking business
"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 whose issued Shares are listed on Main Board of the Stock Exchange (stock codes: 737 (HKD counter) and 80737 (RMB counter))
"Director(s)"	the director(s) of the Company
"General Mandate"	the general mandate granted to the Directors by the Shareholders at the 2025 AGM to issue, allot and deal with up to 20% of the issued Shares as at the date of the 2025 AGM
"Greater Bay Area"	Guangdong-Hong Kong-Macao Greater Bay Area
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	independent third party(ies) who is/are independent of, and not connected with, the Company and its connected persons in accordance with the Listing Rules
"Last Trading Day"	12 June 2026, being the date of the Subscription Agreement
"Listing Rules"	the Rules Governing the Listing of Securities on of the Stock Exchange
"Long Stop Date"	31 December 2026 or such other date as the parties may agree in writing

"Material Adverse Change"	any circumstance occurring between the date of the Subscription Agreement and the completion date of the Subscription that causes a significant and lasting adverse impact on the Group's overall financial condition, operating results, assets or liabilities, which incurs actual losses equal to or exceeding 5% of the Company's total equity on the audited consolidated statement of financial position as at 31 December 2025, but excluding matters such as general economic or financial or securities market fluctuations, industry-wide changes or adverse impact, changes in policies and laws, publicly known information and force majeure events
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Shandong Hi-speed"	Shandong Hi-speed Company Limited (山東高速股份有限公司), a company incorporated in the PRC with limited liability and listed on the Shanghai Stock Exchange (Security code: 600350)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Shenzhen Expressway"	Shenzhen Expressway Corporation Limited (深圳高速公路集團股份有限公司), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
"SIICHIC"	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, the controlling shareholder of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscriber"	Shandong Hi-Speed (Hong Kong) Investment Co., Limited (山東高速（香港）投資有限公司), a company incorporated in Hong Kong with limited liability, being an Independent Third Party
"Subscription Agreement"	the subscription agreement entered into between the Company and the Subscriber dated 12 June 2026
"Subscription Price"	HK$1.8335 per Subscription Share

"Subscription Share(s)"	a total of 250,000,000 new Shares to be issued pursuant to the Subscription
"Subscription"	the subscription of the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
"%"	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, 12 June 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*