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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
RELOCATION AND MODIFICATION OF
EXISTING ELECTROMECHANICAL PIPELINES AND CABLES
CONSTRUCTION WORKS AGREEMENT**

CONSTRUCTION WORKS AGREEMENT

After the open tender and bidding process conducted through Guangzhou Public Resources Trading Center, on 14 October 2026 (after trading hours), GSZ Company entered into the Construction Works Agreement with Guangdong Feida, pursuant to which Guangdong Feida shall undertake the construction works in relation to temporary relocation and modification of the existing electromechanical pipelines and cables for the relevant bid section of the Shenzhen section of Beijing-Hong Kong-Macao Expressway at a contract fee of RMB92,773,998.

LISTING RULES IMPLICATIONS

Given that GPCG owns 55% in Guangdong Feida and GPCG is the holding company of Guangdong Highway Construction, a substantial shareholder of GSZ Company (a deemed subsidiary of the Company), Guangdong Feida is an associate of Guangdong Highway Construction and thus a connected person of the Company at subsidiary level. Accordingly, the transactions contemplated under the Construction Works Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

1. CONSTRUCTION WORKS AGREEMENT

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 14 October 2026 (after trading hours), GSZ Company entered into the Construction Works Agreement with Guangdong Feida, the principal terms of which are as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company; and (ii) Guangdong Feida
Subject Matter	Guangdong Feida agreed to undertake the construction work of the temporary relocation and modification of the existing electromechanical pipelines and cables of the Shenzhen section of Beijing-Hong Kong-Macao Expressway. This encompasses work activities and services including the temporary relocation and traffic maintenance services for existing pipelines and cables facilities, such as surveillance, communication, toll collection, power supply and distribution, and lighting systems. The road section under the Construction Work Agreement is K71+126 to K118+200 of the Shenzhen section of Beijing-Hong Kong-Macao Expressway with a length of approximately 47.07 km.
Construction Work Period	The construction period shall be 60 months, commencing from the date specified in works commencement notice issued by the supervisor of the construction project.
Contract fee	RMB92,773,998 The contract fee will be adjusted in the following circumstances: (i) cancellation of a particular work; (ii) when GSZ Company requests for change of construction materials, the adjustment will be made based on the price differences of the changed materials; and (iii) where there is a significant change in construction methodology, the unit price for the variation may be determined on the principle that the original composite unit price shall remain substantially unaffected with a reasonable price differential added. Such variation in construction unit price is equivalent to the original unit price from the contract's bill of quantities plus a reasonably priced differential. However, the contract fee will not be adjusted due to market price fluctuations in raw materials or equipment costs. GSZ Company currently does not anticipate that there will be any material adjustments to the contract fee. The Company will re-comply with the requirements under the Listing Rules (as applicable) if there are any material upward adjustments to the contract fee under the Construction Works Agreement. GSZ Company intends to finance the contract fee by its internal resources and/or external bank financing.
Basis of Determination of Contract Price	GSZ Company conducted open tender processes through Guangzhou Public Resources Trading Center for the Construction Works Agreement. GSZ Company established a bid evaluation committee in accordance with the requirements of relevant laws and regulations, and awarded the contract to Guangdong Feida after considering the bidders' bid prices, experiences and performance, technical capabilities and reputation comprehensively.

	The contract fee under the Construction Works Agreement was determined based on the bidding price provided by Guangdong Feida, which were based on the prevailing market price for a project of similar nature and complexity.
Advance Payment	The advance payment amount is 10% of the contract fee under the Construction Works Agreement, which shall be payable by GSZ Company after it has approved the relevant applications for the advance payment by Guangdong Feida. The advance payment will be set off against the incurred contract amount at an agreed ratio upon the incurred contract amount reaching 30% of the contract fee.
Payment Arrangement	Incurred contract amount will be paid by GSZ Company to Guangdong Feida by monthly instalments based on the construction progress of not less than RMB500,000 each time. Based on the needs of the construction progress, GSZ Company may implement a “one-time measurement, two-time payment” method within one measurement cycle, that is after the monthly measurement report submitted by Guangdong 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.
Performance Guarantee and Quality Guarantee Deposit	Guangdong Feida shall provide to GSZ Company a performance guarantee in the amount equivalent to 10% of the contract fee under the Construction Works Agreement by way of cash (cheque), bank guarantee or other legal means within 28 days from the date of the bid winning notice and prior to the signing of the Construction Works Agreement. The performance guarantee shall remain effective until the payment of the quality guarantee deposit by Guangdong Feida. GSZ Company shall return the performance guarantee in a lump sum to Guangdong Feida after the payment of the quality guarantee deposit by the latter. 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 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 Guangdong Feida within 30 days after completion of the acceptance inspection.
Defect Responsibility Period	2 years after commencing from the date of overall handover and acceptance of the entire project, during which Guangdong Feida shall be responsible for resolving and rectifying defects and other unresolved problems from the project.

Effectiveness The Construction Works Agreement shall become effective upon Guangdong Feida having provided its performance guarantee deposit and all parties having signed and stamped the agreement.

2. 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.

Guangdong Feida

Guangdong Feida is a limited liability company established in the PRC and is indirectly owned as to 55% by GPCG. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, GPCG is its ultimate beneficial owner. Guangdong Feida is principally engaged in the engineering design, construction, and operations and maintenance of highway electromechanical systems, including the integration of communication, surveillance, and toll collection systems, while also extending into the fields of intelligent transportation and software platform development.

GPCG is a state-owned enterprise incorporated in the PRC ultimately controlled by the Guangdong Provincial People's Government. It 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.

3. REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION WORKS AGREEMENT

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the Construction Works Agreement is a part of the implementation of the reconstruction and expansion project of the Shenzhen section of Beijing-Hong Kong-Macao Expressway, which will help to enhance the traffic capacity and service level 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.

Guangdong Feida was selected as the winning bidder for the Construction Works Agreement 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, experiences and performance, technical capabilities and reputation etc..

Taking into account the reasons set out above, the Directors (including all the independent non-executive Directors) consider that the terms of the 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 Construction Works Agreement and the transactions contemplated thereunder and was required to abstain from voting on the Board resolutions approving the Construction Works Agreement and the transactions contemplated thereunder.

4. LISTING RULES IMPLICATIONS

Given that GPCG owns 55% in Guangdong Feida; and GPCG is the holding company of Guangdong Highway Construction, a substantial shareholder of GSZ Company (a deemed subsidiary of the Company), Guangdong Feida is an associate of Guangdong Highway Construction and thus a connected person of the Company at subsidiary level. Accordingly, the transactions contemplated under the Construction Works Agreement constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

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

DEFINITIONS

“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))
“Construction Agreement”	Works construction agreement for temporary relocation and modification of existing electromechanical pipelines and cables for the reconstruction and expansion project of the Shenzhen section of Beijing-Hong Kong-Macao Expressway* (《京港澳高速公路深圳段改擴建項目既有機電管綫臨時遷改施工合同》) dated 14 October 2026 entered into between GSZ Company and Guangdong Feida
“Director(s)”	the director(s) of the Company
“Guangdong Feida”	Guangdong Feida Traffic Engineering Company Limited* (廣東飛達交通工程有限公司), a company established in the PRC with limited liability and owned as to 55% by 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
“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“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, 14 October 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*, Mr. Xuan WANG* and Mr. Yu HAO*; and three Independent Non-executive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE**

** For identification purpose only*