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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 TRANSACTION
SZ WATER SUPPLY AND DRAINAGE PIPES RELOCATION WORKS AGREEMENT

SZ WATER SUPPLY AND DRAINAGE PIPES RELOCATION WORKS AGREEMENT

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, GSZ Company entered into the SZ Water Supply and Drainage Pipes Relocation Works Agreement with the winning bidder, CR No.14, on 19 November 2026 (after trading hours) with a contract fee of RMB184,574,039.

LISTING RULES IMPLICATIONS

Reference is made to the Company's announcement dated 19 October 2026 in relation to, among others, the discloseable transaction under the SZ Construction Works Agreement (TJ6 Section) dated 19 October 2026 entered into between GSZ Company and CR No.12, a subsidiary of CRCC, pursuant to which CR No.12 agreed to undertake the construction works of Shenzhen TJ6 section of the Approved SZ Road Section R&E Project with a contract fee of RMB1,287,055,298.

Given that the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the SZ Construction Works Agreement (TJ6 Section) are entered into within 12 months and with parties connected with each other, the transactions contemplated under both agreements should be aggregated as a single transaction pursuant to Rules 14.22 and 14.23(1) of the Listing Rules.

Despite the applicable percentage ratio in respect of the transaction contemplated under the SZ Water Supply and Drainage Pipes Relocation Works Agreement are all less than 5% on a standalone basis, as one or more of the applicable percentage ratio in respect of the transactions contemplated under the said two agreements, on an aggregated basis, exceeds 25% but all of them are less than 100%, the transactions contemplated under the said two agreements constitute a major transaction of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 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 was to convene a general meeting for the approval of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 any of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 2,464,657,077 Shares, representing approximately 73.98% 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 10 December 2026.

1. INTRODUCTION

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. 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 obtained approval from the Guangdong Provincial Development and Reform Commission in June 2025 and will 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 said approval, the total investment in the project is approximately RMB21.433 billion, of which 25% will be self-funded by GSZ Company, while the rest will be raised through bank loans, 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 water supply and drainage pipes relocation works of the Approved SZ Road Section R&E Project.

2. SZ WATER SUPPLY AND DRAINAGE PIPES RELOCATION CONSTRUCTION WORKS AGREEMENT

After the open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, GSZ Company entered into the SZ Water Supply and Drainage Pipes Relocation Works Agreement with the winning bidder, CR No.14, on 19 November 2026 (after trading hours), the principal terms of which are as follows:

Parties : (i) GSZ Company, a deemed subsidiary of the Company; and

(ii) CR No.14

Subject Matter : CR No.14 (as the contractor) shall undertake the construction of water supply, rainwater, and sewage pipeline relocation works within the project scope, including: disposal of old pipelines (including trenches); purchase (or fabrication) and laying of new pipelines (including trench excavation, shoring, etc.); tie-in connections and related ancillary facilities; coordination of temporary relocation of various pipelines involved in the relocation route; land occupation compensation, tree transplanting, and handling of relevant procedures and other related work of the entire the Approved SZ Road Section starting from K71+126 to K118+200 with a total length of 47.074km.

Pre-determined Requirements for bidding participants : All bidding participants (including CR No.14) of the tender of the SZ Water Supply and Drainage Pipes Relocation Works Agreement shall possess at least a Grade I qualification for general contracting of municipal public works construction issued by the competent housing and urban-rural development authority, and has undertaken 1 water supply and drainage construction project with a contract value of no less than RMB30 million within the past five years.

The bidding participants should also have net assets of not less than RMB30 million for year 2025, and an average annual operating revenue of not less than RMB30 million in the past 3 years.

Construction Period : The estimated construction period shall be 45 months.

If there is delay to the expected construction timetable and such delay is attributable to CR No.14, CR No.14 will be subject to a daily delay fee of RMB10,000 if the delay is less than 15 days (inclusive of 15 days); if the delay is more than 15 days, the delay fee shall be 2% of the contract fee.

Contract Fee : The contract fee is RMB184,574,039, which will not be adjusted for causes including price fluctuation of construction materials, change in the relevant PRC laws and industrial standards or delay in the construction period.

GSZ Company intends to finance the contract fees by way of its internal resources and/or external bank.

Basis of Determination of Contract fee : GSZ Company conducted open tender process for the SZ Water Supply and Drainage Pipes Relocation Works Agreement through Guangzhou Public Resources Trading Center. 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, including the Tendering and Bidding Law of the PRC (中華人民共和國招標投標法), the Implementing Regulations of the Tendering and Bidding Law of the PRC (中華人民共和國招標投標法實施條例), Measures of Guangdong Province for the Implementation of the Bidding and Tendering Law of the PRC (廣東省實施<中華人民共和國招標投標法>辦法) and Measures for the Administration of Tendering and Bidding for Highway Engineering Construction Projects (公路工程建設項目招標投標管理辦法), etc., GSZ Company has prepared the tender documents and set maximum bid limit.

After the internal approval process of the GSZ Company, a public tender announcement was issued. The bidders were required to submit their bidding documents, including their respective bid prices and information demonstrating compliance with the pre-determined requirements set out above.

GSZ Company established a bid evaluation committee of 9 members in accordance with the requirements of relevant laws and regulations to determine the winning bidder. Among which, 3 members were panelist of the principal, while the remaining 6 members, who are independent of GSZ Company, the Company and the contractor, were randomly selected by GSZ Company from an external expert database. After considering factors and scoring the bidders based on factors including the bidder's bid price (70%), construction organisation design (10%), performance (10%) and contract performance reputation (10%) comprehensively, the bid was awarded to the contractor which scored the highest.

The contract fee under the SZ Water Supply and Drainage Pipes Relocation Works Agreement was the same as the bidding price provided by CR No.14.

In light the tender of the SZ Water Supply and Drainage Pipes Relocation Works Agreement was conducted in compliance with relevant laws and regulations and evaluated by the committee comprehensively as aforesaid, the Board is of the view that the evaluation process of the tendering and the basis of determination of the contract fee is fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

Advance Payment	:	The advance payment amount is 10% of the contract fee (excluding safety production costs) and 50% of the safety production costs, which will be payable by GSZ Company to CR No.14 by instalments after the signing of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and submission of the application by CR No.14 for advance payment. The advance payment may be set off against the incurred contract amount at an agreed ratio upon the cumulative progress payment reaching 20% of the contract fee and will be fully deducted when the cumulative progress payment reaches 70% of the contract fee.
Payment Arrangement	:	Incurred contract amount will be paid by GSZ Company to CR No.14 by monthly instalment based on the construction progress of not less than RMB500,000 each time. The number of installments may vary depending on the actual duration and progress of the project. At the end of each month, CR No.14 shall submit a progress payment application to the supervisor, and the supervisor shall within 14 days verify the application and propose the payment amount for GSZ Company's review. Upon GSZ Company's approval, the supervisor shall issue a progress payment certificate to CR No.14. If the amount payable for that month is less than RMB500,000, the supervisor may withhold payment and the amount shall be carried forward until the cumulative payable amount reaches RMB500,000. GSZ Company shall pay the progress payment within 28 days after the supervisor receives the application and CR No.14 submits a valid VAT invoice.
Quality Guarantee Deposit and Defect Responsibility Period	:	Quality guarantee deposit in the amount equivalent to 3% of the contract fee is intended to ensure the fulfillment of the obligation of CR No.14 to rectify defects during the defect liability period, being 2 years from the actual date of acceptance upon satisfactory completion and come into production. Within 14 days after the expiry of the defect responsibility period, the supervisor shall issue to CR No.14 the defect liability period termination certificate countersigned and confirmed by GSZ Company, and GSZ Company shall refund the balance of the quality guarantee deposit to CR No.14.
Performance Guarantee	:	Within 28 days after receiving the letter of bid acceptance and before the signing of the agreement, CR No.14 shall provide a performance guarantee in the amount equivalent to 10% of the contract fee in the form of cash (or cheque), bank guarantee or other legal means. GSZ Company shall return the performance guarantee to CR No.14 after CR No.14 has provided the quality guarantee deposit.
Effectiveness	:	The SZ Water Supply and Drainage Pipes Relocation Works Agreement shall become effective upon the parties having signed and stamped the agreement; CR No.14 having provided the performance guarantee; and GSZ Company or its superior entity having obtained its shareholders' approval and other required authorities' approvals.

As at the date of this announcement, CR No.14 has provided its performance guarantee, and the Company (being the superior entity of GSZ Company) has already obtained its Shareholders' approval from SIIC on 19 November 2026. Accordingly, the SZ Water Supply and Drainage Pipes Relocation Works Agreement has become effective.

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.

CR No.14

CR No.14 is a limited liability company incorporated in the PRC and is principally engaged in construction works of railway, highway, urban rail, water conservancy and hydropower construction, municipal utility, communication project, etc. CR No.14 is a subsidiary of CRCC and is owned as to approximately 79.02% by CRCC, a company established in the PRC with limited liability and the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1186) and the A shares of which are listed on the SSE (Security Code: 601186); and approximately 20.98% (in aggregate) is owned by other Independent Third Parties.

To the best of the Directors' knowledge, information and belief, CR No.14 and its ultimate beneficial owners are Independent Third Parties.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE SZ WATER SUPPLY AND DRAINAGE PIPES RELOCATION WORKS AGREEMENT

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the SZ Water Supply and Drainage Pipes Relocation Works Agreement is a part of the implementation of the Approved SZ Road Section R&E Project, which 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.

The Guangzhou-Shenzhen Section of the Beijing-Hong Kong-Macao Expressway is a major expressway connecting three major PRC cities: Guangzhou, Dongguan, and Shenzhen. Since its official opening to traffic in 1997, its traffic volume has increased rapidly and has now reached near saturation. To alleviate traffic pressure, the Approved GZ-DG Road Section Project was implemented at the end of 2023. Following the approval by the Guangdong Provincial Development and Reform Commission on the Approved SZ Road Section R&E Project in June 2025, GSZ Company commenced the Approved SZ Road Section R&E Project at the end of 2025, and conducted various public tendering and bidding procedures through the Guangzhou Public resources trading center in relation to the water supply and drainage pipes relocation works of the Approved SZ Road Section R&E Project according to the project schedule.

CR No.14, the contractor to the SZ Water Supply and Drainage Pipes Relocation Works Agreement, was selected as the winning bidder as it ranked first among the bidders in the tender 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 the tender evaluation 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 include but not limited to the bidding price, construction organisation and design, performance, and contract performance reputation.

Taking into account the reasons set out above, the Directors (including all the independent non-executive Directors) consider that the terms of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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

Reference is made to the Company's announcement dated 19 October 2026 in relation to, among others, the discloseable transaction under the SZ Construction Works Agreement (TJ6 Section) dated 19 October 2026 entered into between GSZ Company and CR No.12, a subsidiary of CRCC, pursuant to which CR No. 12 agreed to undertake the construction works of TJ6 Section of the Approved SZ Road Section R&E Project with a contract fee of RMB1,287,055,298.

Given that the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the SZ Construction Works Agreement (TJ6 Section) are entered into within a 12-month period and with parties connected with each other, the transactions contemplated under both agreements should be aggregated as a single transaction pursuant to Rules 14.22 and 14.23(1) of the Listing Rules.

Despite the applicable percentage ratio in respect of the transaction contemplated under the SZ Water Supply and Drainage Pipes Relocation Works Agreement are all less than 5% on a standalone basis, as one or more of the applicable percentage ratio in respect of the transactions contemplated under the said two agreements, on an aggregated basis, exceeds 25% but all of them are less than 100%, the transactions contemplated under the said two agreements constitute a major transaction of the Company and are subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

6. 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 was to convene a general meeting for the approval of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 any of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 2,464,657,077 Shares, representing approximately 73.98% 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 Water Supply and Drainage Pipes Relocation Works Agreement and the transaction contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the SZ Water Supply and Drainage Pipes Relocation Works Agreement and the transaction 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 10 December 2026.

"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))
"CR No.12"	China Railway 12th Bureau Group Co., Ltd.* (中鐵十二局集團有限公司), a limited liability company incorporated in the PRC
"CR No.14"	China Railway 14th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司), a limited liability company incorporated in the PRC
"CRCC"	China Railway Construction Corporation Limited* (中國鐵建股份有限公司), a company established in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1186) and the A shares of which are listed on the SSE (Security Code: 601186)
"Director(s) "	the director(s) of the Company
"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 approximately 122.8 km

"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
"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
"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 liability company incorporated in the British Virgin Islands, which is an indirect-wholly owned subsidiary of Shenzhen Expressway Corporation Limited
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SZ Construction Works Agreement (TJ6 Section)"	the subsequent civil engineering construction works agreement (TJ6 Section) under the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway* (《京港澳高速公路深圳段改擴建項目後續土建工程施工合同（第TJ6合同段）》) dated 19 October 2026 and entered into between GSZ Company and CR No.12
"SZ Water Supply and Drainage Pipes Relocation Works Agreement"	the water supply and drainage pipes relocation construction works agreement under the reconstruction and expansion project of the Shenzhen section of the Beijing-Hong Kong-Macao Expressway* (京港澳高速公路深圳段改擴建項目給排水管遷改施工合同) dated 19 November 2026 and entered into between GSZ Company and CR No.14

"%"	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, 19 November 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*