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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, CONNECTED AND MAJOR TRANSACTIONS

CONSTRUCTION WORKS AGREEMENTS (TJ6-TJ9 AND LM BID SECTIONS)

CONSTRUCTION WORKS AGREEMENTS (TJ6-TJ9 AND LM BID SECTIONS)

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into the following Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) with the respective Contractors for the civil engineering construction works in connection with the Approved Road Section R&E Project:

1. the Construction Works Agreement (TJ6 Bid Section) entered into with CR 11th Bureau with a contract price of approximately RMB721,026,485;
2. the Construction Works Agreement (TJ7 Bid Section) entered into with China Railway No. 4 Engineering with a contract price of approximately RMB824,580,835;
3. the Construction Works Agreement (TJ8 Bid Section) entered into with CCCC Second Harbour with a contract price of approximately RMB1,451,479,970;
4. the Construction Works Agreement (TJ9 Bid Section) entered into with CR 14th Bureau with a contract price of approximately RMB663,144,828; and
5. the Construction Works Agreement (LM Bid Section) entered into with Poly Changda with a contract price of approximately RMB1,492,146,363.

LISTING RULES IMPLICATIONS

Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section)

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) exceeds 5% but is less than 25% on a standalone basis, given that the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%. As such, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) 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.

Construction Works Agreement (TJ7 Bid Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under Construction Works Agreement (TJ7 Bid Section) exceed 5% but all of them are less than 25%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ7 Bid Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Construction Works Agreement (TJ8 Bid Section)

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) 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.

Construction Works Agreement (LM Bid Section)

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (LM Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (LM Bid Section) 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.

Given that Poly Changda is owned as to approximately 37.60% by GPCG, which is the holding company of Guangdong Highway Construction, the substantial shareholder of GSZ Company, Poly Changda is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The Construction Works Agreement (LM Bid Section) therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Construction Works Agreement (LM Bid Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Construction Works Agreement (LM Bid 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. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the Construction Works Agreement (LM Bid Section) will only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder, none of the Directors was required to abstain from voting on the Board resolutions approving the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder.

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 were to convene a general meeting for the approval of the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 2,213,449,666 Shares, representing approximately 71.83% 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 30 October 2024.

1. INTRODUCTION

After certain open tender and bidding processes conducted through Guangzhou Public Resources Trading Center, on 8 October 2024, GSZ Company entered into the following Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) with the respective Contractors for the civil engineering construction works in connection with the Approved Road Section R&E Project:

1. the Construction Works Agreement (TJ6 Bid Section) entered into with CR 11th Bureau with a contract price of approximately RMB721,026,485;
2. the Construction Works Agreement (TJ7 Bid Section) entered into with China Railway No. 4 Engineering with a contract price of approximately RMB824,580,835;
3. the Construction Works Agreement (TJ8 Bid Section) entered into with CCCC Second Harbour with a contract price of approximately RMB1,451,479,970;
4. the Construction Works Agreement (TJ9 Bid Section) entered into with CR 14th Bureau with a contract price of approximately RMB663,144,828; and
5. the Construction Works Agreement (LM Bid Section) entered into with Poly Changda with a contract price of approximately RMB1,492,146,363.

2. THE CONSTRUCTION WORKS AGREEMENTS

(1) Construction Works Agreement (TJ6 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ6 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) CR 11 th Bureau
Subject Matter	CR 11 th Bureau (as the contractor) shall undertake the civil engineering construction works on road section starting from K40+545 and ending at K51+300 of the Approved Road Section with a total length of approximately 10.76k.m.. CR 11 th Bureau shall be responsible for the construction works of the abovementioned road section, mainly including the construction of roadbed, bridge culvert (excluding prefabricated component construction works), interchange, the mechanical and electrical maintenance, the relocation of pipeline and related construction transportation arrangements, etc.
Construction Period	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.
Contract Price	The contract price shall be approximately RMB721,026,485, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CR 11 th Bureau if the particular conditions agreed in the Construction Works Agreement (TJ6 Bid Section) are satisfied.

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 Construction Works Agreement (TJ6 Bid 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 Construction Works Agreement (TJ6 Bid 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 CR 11th Bureau after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB721,026,485 was determined based on the bidding price provided by CR 11th Bureau.

Advance Payment The advance payment amount is 10% of the contract price.

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.

Payment Arrangement Incurred contract amount will be paid by GSZ Company to CR 11th Bureau by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CR 11th Bureau 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	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CR 11 th Bureau's obligation to rectify defects during the defect liability period (2 years from the actual completion 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 CR 11 th Bureau 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 CR 11 th Bureau 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 Construction Works Agreement (TJ6 Bid Section), CR 11 th Bureau 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 Construction Works Agreement (TJ6 Bid Section) shall become effective upon CR 11 th Bureau having provided the performance guarantee and the parties having signed and stamped the contract.

(2) Construction Works Agreement (TJ7 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ7 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company
	(ii) China Railway No. 4 Engineering

Subject Matter	<p>China Railway No. 4 Engineering (as the contractor) shall undertake:</p> <ul style="list-style-type: none"> (i) the civil engineering construction works on road section starting from K51+300 and ending at K58+000 of the Approved Road Section with a total length of approximately 6.7k.m., mainly including the construction of roadbed, bridge culvert, interchange, the mechanical and electrical maintenance, the relocation of pipeline and related construction transportation arrangements, etc.; and (ii) the prefabricated component construction works starting from K40+545 and ending at K65+740 of the Approved Road Section.
Construction Period	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.
Contract Price	<p>The contract price shall be approximately RMB824,580,835, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to China Railway No. 4 Engineering if the particular conditions agreed in the Construction Works Agreement (TJ7 Bid Section) are satisfied.</p> <p>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 Construction Works Agreement (TJ7 Bid Section).</p> <p>GSZ Company intends to finance the contract price by way of its internal resources and/or external bank financing.</p>

Basis of Determination of Contract Price GSZ Company conducted an open tender process through Guangzhou Public Resources Trading Center for the Construction Works Agreement (TJ7 Bid 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 China Railway No. 4 Engineering after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB824,580,835 was determined based on the bidding price provided by China Railway No. 4 Engineering.

Advance Payment The advance payment amount is 10% of the contract price.

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.

Payment Arrangement Incurred contract amount will be paid by GSZ Company to China Railway No. 4 Engineering by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by China Railway No. 4 Engineering 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	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of China Railway No. 4 Engineering's obligation to rectify defects during the defect liability period (2 years from the actual completion 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 China Railway No. 4 Engineering 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 China Railway No. 4 Engineering 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 Construction Works Agreement (TJ7 Bid Section), China Railway No. 4 Engineering 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 Construction Works Agreement (TJ7 Bid Section) shall become effective upon China Railway No. 4 Engineering having provided the performance guarantee and the parties having signed and stamped the contract.

(3) Construction Works Agreement (TJ8 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ8 Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) CCCC Second Harbour
Subject Matter	CCCC Second Harbour (as the contractor) shall undertake the civil engineering construction works on road section starting from K58+000 and ending at K65+740 of the Approved Road Section with a total length of approximately 7.74k.m..

CCCC Second Harbour shall be responsible for the construction works of the abovementioned road section, mainly including the construction of roadbed, bridge culvert (excluding prefabricated component construction works and structural steel fabrication), interchange, the mechanical and electrical maintenance, the relocation of pipeline and related construction transportation arrangements, etc.

Construction Period Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.

Contract Price The contract price shall be approximately RMB1,451,479,970, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CCCC Second Harbour if the particular conditions agreed in the Construction Works Agreement (TJ8 Bid Section) are satisfied.

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 Construction Works Agreement (TJ8 Bid 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 Construction Works Agreement (TJ8 Bid 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 CCCC Second Harbour after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB1,451,479,970 was determined based on the bidding price provided by CCCC Second Harbour.

**Advance
Payment**

The advance payment amount is 10% of the contract price.

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.

**Payment
Arrangement**

Incurred contract amount will be paid by GSZ Company to CCCC Second Harbour by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CCCC Second Harbour 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**

The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CCCC Second Harbour's obligation to rectify defects during the defect liability period (2 years from the actual completion 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 CCCC Second Harbour 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 CCCC Second Harbour 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 Construction Works Agreement (TJ8 Bid Section), CCCC Second Harbour 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 Construction Works Agreement (TJ8 Bid Section) shall become effective upon CCCC Second Harbour having provided the performance guarantee and the parties having signed and stamped the contract.

(4) Construction Works Agreement (TJ9 Bid Section)

A summary of the key terms of the Construction Works Agreement (TJ9 Bid Section) is as follows:

Parties

- (i) GSZ Company, a deemed subsidiary of the Company
- (ii) CR 14th Bureau

Subject Matter CR 14th Bureau (as the contractor) shall undertake the civil engineering construction works on road section starting from K65+740 and ending at K71+130.658 of the Approved Road Section with a total length of approximately 5.39k.m..

CR 14th Bureau shall be responsible for the construction works of the abovementioned road section, mainly including the construction of roadbed, bridge culvert, interchange, the mechanical and electrical maintenance, prefabricated beam construction works, the relocation of pipeline and related construction transportation arrangements, etc.

Construction Period Commencing construction under the instruction of the supervisor of the construction project with a construction period of 54 months.

Contract Price The contract price shall be approximately RMB663,144,828, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to CR 14th Bureau if the particular conditions agreed in the Construction Works Agreement (TJ9 Bid Section) are satisfied.

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 Construction Works Agreement (TJ9 Bid 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 Construction Works Agreement (TJ9 Bid 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 CR 14th Bureau after considering the bidder's bid price, experience and performance, technical capabilities and reputation comprehensively. The contract price of approximately RMB663,144,828 was determined based on the bidding price provided by CR 14th Bureau.

Advance Payment The advance payment amount is 10% of the contract price.

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.

Payment Arrangement	Incurred contract amount will be paid by GSZ Company to CR 14 th Bureau by instalments based on the construction progress of not less than RMB500,000 each time. After the monthly measurement report submitted by CR 14 th Bureau 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	The amount of the quality guarantee deposit is 3% of the contract price. The quality guarantee deposit paid is intended to ensure the fulfillment of CR 14 th Bureau's obligation to rectify defects during the defect liability period (2 years from the actual completion 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 CR 14 th Bureau 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 CR 14 th Bureau 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 Construction Works Agreement (TJ9 Bid Section), CR 14 th Bureau 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 Construction Works Agreement (TJ9 Bid Section) shall become effective upon CR 14 th Bureau having provided the performance guarantee and the parties having signed and stamped the contract.

(5) Construction Works Agreement (LM Bid Section)

A summary of the key terms of the Construction Works Agreement (LM Bid Section) is as follows:

Parties	(i) GSZ Company, a deemed subsidiary of the Company (ii) Poly Changda
Subject Matter	Poly Changda (as the contractor) shall undertake the civil engineering construction works on road section starting from K23+078 and ending at K71+130.658 of the Approved Road Section with a total length of approximately 48.05k.m..

Poly Changda shall be responsible for the construction works of the abovementioned road section, mainly including the road surface, traffic safety (excluding sound barriers), construction and greening of toll stations, construction of living area, renovation and greening of the middle belt (excluding mechanical and electrical works), road surface of service areas, related construction transportation arrangements, solid waste processing and application, etc.

Construction Period	Commencing construction under the instruction of the supervisor of the construction project with a construction period of 56 months.
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Contract Price	The contract price shall be approximately RMB1,492,146,363, which may be adjusted subject to the actual construction works changes agreed to accept by GSZ Company, price fluctuation of construction materials and change in the relevant PRC laws, regulations and value-added tax. A premium quality award in an amount equivalent to 2% of a designated portion of the contract price will be paid to Poly Changda if the particular conditions agreed in the Construction Works Agreement (LM Bid Section) are satisfied.
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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 Construction Works Agreement (LM Bid 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 Construction Works Agreement (LM Bid 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 approximately RMB1,492,146,363 was determined based on the bidding price provided by Poly Changda.

Advance Payment The advance payment amount is 10% of the contract price.

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.

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	The amount of the quality guarantee deposit is 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 completion 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 Construction Works Agreement (LM Bid 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 Construction Works Agreement (LM Bid 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 operation and management of the Guangzhou-Shenzhen section of Beijing-Hong Kong-Macao Expressway, which is a joint venture established by Hopewell China Development (Superhighway) Limited (a non-wholly owned subsidiary of the Company) and Guangdong Highway Construction.

CR 11th Bureau

CR 11th Bureau is a limited liability company established in the PRC. CR 11th Bureau is principally engaged in construction works of railway, highway, urban rail, municipal utility, housing, infrastructure and hydropower, etc. CR 11th Bureau is owned as to (i) approximately 81.62% 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 Shanghai Stock Exchange (Security Code: 601186); and (ii) approximately 18.38% (in aggregate) by other Independent Third Parties.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CR 11th Bureau and its ultimate beneficial owners are Independent Third Parties.

China Railway No. 4 Engineering

China Railway No. 4 Engineering is a limited liability company established in the PRC and is wholly owned by CREC, 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: 390) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601390). China Railway No. 4 Engineering is principally engaged in construction of railway, highway, architecture, municipal utility, etc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, China Railway No. 4 Engineering and its ultimate beneficial owners are Independent Third Parties.

CCCC Second Harbour

CCCC Second Harbour is a limited liability company established in the PRC. CCCC Second Harbour is principally engaged in the construction of bridge and other transportation infrastructures. CCCC Second Harbour is owned as to (i) approximately 71.50% by CCCC, 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: 1800) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601800); and (ii) approximately 28.50% (in aggregate) by other Independent Third Parties.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CCCC Second Harbour and its ultimate beneficial owners are Independent Third Parties.

CR 14th Bureau

CR 14th Bureau is a limited liability company established in the PRC. CR 14th Bureau is principally engaged in construction works of railway, highway, urban rail, water conservancy and hydropower construction, municipal utility, communication project, etc. CR 14th Bureau is owned as to (i) 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 Shanghai Stock Exchange (Security Code: 601186); and (ii) approximately 20.98% (in aggregate) by other Independent Third Parties.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, CR 14th Bureau and its ultimate beneficial owners are Independent Third Parties.

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; and (ii) approximately 62.40% (in aggregate) by Independent Third Parties.

4. REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENTS

The investment, construction, operation and maintenance of expressways is one of the Group's principal businesses. The entering into of the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) is a part of the implementation of the Approved Road Section R&E Project. The implementation of Approved Road Section R&E Project will help to enhance the traffic capacity and service level of the Approved 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.

Each of the winning bidders for the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) was ranked first in the bidding score of each construction bid section through a tender and bidding process which is regulated by the bidding laws and regulations in the PRC. Based on the bid evaluation method reviewed and approved by the Department of Transport of Guangdong Province, the ranking was determined by an independent bid evaluation committee.

Taking into account the reasons set out above, the Directors (including the independent non-executive Directors) consider that the terms of each of the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) are on normal commercial terms, are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

5. LISTING RULE IMPLICATIONS

Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section)

Whilst the highest applicable percentage ratio in respect of the transactions contemplated under each of Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) exceeds 5% but is less than 25% on a standalone basis, given that the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) are entered into with parties connected with each other, the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) on an aggregated basis, pursuant to Rule 14.22 of the Listing Rules, exceeds 25% but is less than 100%. As such, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ6 Bid Section) and Construction Works Agreement (TJ9 Bid Section) 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.

Construction Works Agreement (TJ7 Bid Section)

As one or more of the applicable percentage ratios in respect of the transactions contemplated under Construction Works Agreement (TJ7 Bid Section) exceed 5% but all of them are less than 25%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ7 Bid Section) constitute a discloseable transaction for the Company and are therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Construction Works Agreement (TJ8 Bid Section)

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (TJ8 Bid Section) 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.

Construction Works Agreement (LM Bid Section)

As the highest applicable percentage ratio in respect of the transactions contemplated under the Construction Works Agreement (LM Bid Section) exceeds 25% but is less than 100%, the entering into of and the transactions contemplated under the Construction Works Agreement (LM Bid Section) 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.

Given that Poly Changda is owned as to approximately 37.60% by GPCG, which is the holding company of Guangdong Highway Construction, the substantial shareholder of GSZ Company, Poly Changda is an associate of Guangdong Highway Construction, and thus a connected person of the Company at the subsidiary level. The Construction Works Agreement (LM Bid Section) therefore constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Construction Works Agreement (LM Bid Section) and confirmed that the terms thereunder are fair and reasonable, the transaction is on normal commercial terms, and the entering into of the Construction Works Agreement (LM Bid 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. By reason of the aforesaid, pursuant to Rule 14A.101 of the Listing Rules, the Construction Works Agreement (LM Bid Section) will only be subject to the reporting and announcement requirements, but exempt from the circular, independent financial advice and Shareholders' approval requirements under Chapter 14A of the Listing Rules.

As none of the Directors has any material interest in the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder, none of the Directors was required to abstain from voting on the Board resolutions approving the Construction Works Agreements (TJ6-TJ9 and LM Bid Sections) and the transactions contemplated thereunder.

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 were to convene a general meeting for the approval of the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 2,213,449,666 Shares, representing approximately 71.83% 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 Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, further details of the Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections) and the transactions 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 30 October 2024.

It is anticipated that the Group and the GSZ Company (a deemed subsidiary of the Company) may enter into agreements in relation to certain transactions to be carried out under the Approved Road Section R&E 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.

DEFINITIONS

“Approved 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 Road Section R&E Project”	the reconstruction and expansion project of the Approved Road Section approved by Guangdong Provincial Development and Reform Commission on 22 August 2023
“Board”	the board of Directors
“CCCC”	China Communications Construction Company Ltd.* (中國交通建設股份有限公司), 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: 1800) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601800)
“CCCC Second Harbour”	CCCC Second Harbour Engineering Co., Ltd.* (中交第二航務工程局有限公司), a limited company established in the PRC
“China Railway No. 4 Engineering”	China Railway No. 4 Engineering Group Co., Ltd.* (中鐵四局集團有限公司) is a limited liability company established in the PRC and is wholly owned by CREC
“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 Works Agreement (LM Bid Section)”

the civil engineering construction works agreement (LM Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to 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改擴建項目土建工程施工合同(第 LM 標段)》) dated 8 October 2024 and entered into between GSZ Company and Poly Changda

“Construction Works Agreement (TJ6 Bid Section)”

the civil engineering construction works agreement (TJ6 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to 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改擴建項目土建工程施工合同(第 TJ6 標段)》) dated 8 October 2024 and entered into between GSZ Company and CR 11th Bureau

“Construction Works Agreement (TJ7 Bid Section)”

the civil engineering construction works agreement (TJ7 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to 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改擴建項目土建工程施工合同(第 TJ7 標段)》) dated 8 October 2024 and entered into between GSZ Company and China Railway No. 4 Engineering

“Construction Works Agreement (TJ8 Bid Section)”

the civil engineering construction works agreement (TJ8 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to 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改擴建項目土建工程施工合同(第 TJ8 標段)》) dated 8 October 2024 and entered into between GSZ Company and CCCC Second Harbour

“Construction Works Agreement (TJ9 Bid Section)”	the civil engineering construction works agreement (TJ9 Bid Section) under the reconstruction and expansion project of the Guangzhou Huocun to Dongguan Chang’an section of the Beijing-Hong Kong-Macao Expressway and Guangzhou Huangcun to 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改擴建項目土建工程施工合同（第 TJ9 標段）》) dated 8 October 2024 and entered into between GSZ Company and CR 14 th Bureau
“Construction Works Agreements (TJ6, TJ8, TJ9 and LM Bid Sections)”	Construction Works Agreement (TJ6 Bid Section), Construction Works Agreement (TJ8 Bid Section), Construction Works Agreement (TJ9 Bid Section) and Construction Works Agreement (LM Bid Section)
“Construction Works Agreement (TJ6-TJ9 and LM Bid Sections)”	Construction Works Agreement (TJ6 Bid Section), Construction Works Agreement (TJ7 Bid Section), Construction Works Agreement (TJ8 Bid Section), Construction Works Agreement (TJ9 Bid Section) and Construction Works Agreement (LM Bid Section)
“Contractors”	CR 11 th Bureau, China Railway No. 4 Engineering, CCCC Second Harbour, CR 14 th Bureau and Poly Changda
“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 Shanghai Stock Exchange (Security Code: 601186)
“CREC”	China Railway Group Limited* (中國中鐵股份有限公司), 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: 390) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 601390)

“CR 11 th Bureau”	China Railway 11 th Bureau Group Co., Ltd.* (中鐵十一局集團有限公司) is a limited liability company established in the PRC
“CR 14 th Bureau”	China Railway 14 th Bureau Group Co., Ltd.* (中鐵十四局集團有限公司) is a limited liability company established in the PRC
“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
“k.m.”	kilometre(s)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Poly Changda”	Poly Changda Engineering Company Limited* (保利長大工程有限公司), 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)
“Shenzhen Expressway”	Shenzhen Expressway Corporation Limited, 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)
“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 company incorporated in the British Virgin Islands, which is an indirect-wholly owned subsidiary of Shenzhen Expressway
“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, 8 October 2024

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), Mr. Jianming WU* (Executive 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. Siyan CHEN* 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*