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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)

VOLUNTARY ANNOUNCEMENT

MEMORANDUM OF COOPERATION AND FRAMEWORK AGREEMENTS IN RELATION TO THE POTENTIAL DEVELOPMENT AND UTILISATION OF THE LAND ALONG THE GUANGZHOU-SHENZHEN SUPERHIGHWAY

The board of directors (the “**Board**”) of Shenzhen Investment Holdings Bay Area Development Company Limited (the “**Company**”) is pleased to announce that respectively on 25 October 2019 and 28 October 2019 the Company has entered into a memorandum of cooperation and two framework agreements (collectively, the “**Documents of Intent**”) with Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司) (“**Guangdong Highway Construction**”, the People’s Republic of China (the “**PRC**”) joint venture partner of Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited), and in respect of one of the framework agreements, also with Guangdong Leatop Real Estate Investment Co., Ltd.* (廣東利通置業投資有限公司) (“**Leatop Real Estate**”), which set out, among other things, the principles of cooperation in relation to the potential development and utilisation of the land along the Guangzhou-Shenzhen Superhighway (the “**GS Superhighway**”) (including the Xintang interchange on GS Superhighway). Both Guangdong Highway Construction and Leatop Real Estate are subsidiaries of 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. The Documents of Intent are not intended to be legally binding except for provisions concerning confidentiality, serving of notice and the governing law.

GS Superhighway is comprised of three sections spanning the Guangzhou, Shenzhen and Dongguan regions. Under the Documents of Intent, it is intended that any potential development project in relation to the land along the GS Superhighway (i) in the Shenzhen region shall be led by the Company (or its designee); (ii) in the Guangzhou region shall be led by Guangdong Highway Construction (or its designee); and (iii) in the Dongguan region shall be led by the party which is able to obtain the development opportunity by leveraging its internal resources. It is also intended that the party which led the development project will hold the majority stake in the equity interests in the relevant project company to be set up to hold and operate the project, and the intended proportion of equity interest shall be as follows:

- (a) for land development project(s) in the Guangzhou region, the Company (or its designee) and Guangdong Highway Construction (or its designee) will hold 37.5% and 62.5% of the equity interests in the relevant project company(ies) respectively;

- (b) for land development project(s) in the Shenzhen region, the Company (or its designee) and Guangdong Highway Construction (or its designee) will hold 57.5% and 42.5% of the equity interests in the relevant project company(ies) respectively.
- (c) for land development project(s) in the Dongguan region, if the project is led by Guangdong Highway Construction, Guangdong Highway Construction (or its designee) and the Company (or its designee) will hold 62.5% and 37.5% of the equity interests in the relevant project company(ies) respectively; or if the project is led by the Company, the Company (or its designee) and Guangzhou Highway Construction (or its designee) will hold 57.5% and 42.5% of the equity interests in the relevant project company(ies) respectively.

Save for the provisions relating to governing law, serving of notice and confidentiality, the Documents of Intent are not intended to be legally binding on the parties thereto. They serve as guiding documents for the parties to continue to negotiate the details of the definitive agreements in relation to potential land development project(s). As at the date of this announcement, no project company in relation to the matters mentioned above has been formed and no definitive agreement has been entered into between the parties to the Documents of Intent in relation to any land development project. In the event that any definitive agreement is entered into, the Company will comply with the relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in respect thereof and make further announcement(s) as and when appropriate.

OTHER INFORMATION

The GS Superhighway, which runs through Guangzhou, Dongguan and Shenzhen, is 122.8 km in length with approximately 28,000 mu (or approximately 18 million square metres) of acquired land for road construction purpose, and has 23 toll stations or interchanges. According to preliminary studies, it is estimated that approximately 10 toll stations or interchanges are suitable to undergo traffic layout transformation for land utilisation in order to release land for comprehensive development. Before such released land can be utilised for comprehensive land development of different types after necessary change of the nature of the land use, such released land should fulfill the urban planning requirements of local governments, the expansion plan of the GS Superhighway, complete the relevant procedures in relation to the change of land use and obtain the land use rights for future development. However, as the change of land use needs to be carried out in accordance with the relevant urban planning and regulations in the PRC, there is uncertainty as to whether the relevant procedures for the change of land use can eventually be completed and the land use rights for future development can be obtained, and as to the final type of land use, land size and completion time of any future land development.

By Order of the Board
**Shenzhen Investment Holdings Bay Area
Development Company Limited**
Ji LIU*
Executive Director and Deputy General Manager

Hong Kong, 28 October 2019

As at the date of this announcement, the Board comprises three Executive Directors namely, Mr. Tianliang ZHANG (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, Mr. Zhengyu LIU* (Chairman), and Mr. Junye CAI* and Mr. Jiyang TANG*; and three Independent Non-executive Directors namely, Mr. Brian David Man Bun LI, Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN.*

** For identification purpose only*