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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 AND CONNECTED TRANSACTION FORMATION OF JOINT VENTURE**

#### **FORMATION OF JOINT VENTURE**

Further to the entering into of the Documents of Intent disclosed in the Company's announcement dated 28 October 2019, the Board is pleased to announce that on 29 November 2019, Shenwan Infrastructure, an indirect subsidiary of the Company, Guangdong Highway Construction, Lealu Investment and Leaxin Investment entered into the JV Agreement and JV Articles, pursuant to which, the Parties agreed to, among other things, (i) jointly establish the Project Company to participate in the bidding for the land use rights of the Project Land and, after successful Bidding, engage in the subsequent development of residential project on the Project Land, (ii) form a Consortium to participate in the Bidding in the event that the Project Company cannot be established in time for the same purpose or the procedures required of the Project Company as a bidder of the Project Land cannot be completed in time and, after successful Bidding, the Project Company to engage in the subsequent development of residential project on the Project Land and (iii) regulate their respective rights and obligations in relation to the management, operation and affairs of the Project Company. Guangdong Highway Construction, Lealu Investment and Leaxin Investment are subsidiaries within the GPCG.

After the successful Bidding, the land use rights of the Project Land will be held by the Project Company which will be owned as to 62.5% (in aggregate) by the GPCG (through Guangdong Highway Construction, Lealu Investment and Leaxin Investment) and 37.5% by the Group (through Shenwan Infrastructure). The maximum total amount to be contributed by the Parties for the investment in the Project (through the Project Company) is RMB6,800,000,000, among which, each of Guangdong Highway Construction, Lealu Investment, Leaxin Investment and Shenwan Infrastructure, will contribute the respective amounts of up to RMB2,550,000,000, RMB1,360,000,000, RMB340,000,000 and RMB2,550,000,000, representing 37.5%, 20%, 5% and 37.5% of the maximum total amount of contribution of the Parties, and accordingly, the registered capital of the Project Company will be owned by the Parties in the same proportion.

#### **LISTING RULES IMPLICATIONS**

As GS Superhighway JV is a deemed subsidiary of the Company, Guangdong Highway Construction, being a substantial shareholder of GS Superhighway JV, is a connected person of the Company at the subsidiary level. Accordingly, the formation of joint venture with Guangdong Highway Construction, its subsidiary (i.e. Lealu Investment) and a subsidiary of its holding company (i.e. Leaxin Investment) under the Transaction Documents, constitutes a

connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Transaction Documents and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Transaction Documents and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms (and not in the ordinary and usual course of the Group's business) and in the interests of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Transaction Documents and the transactions contemplated thereunder 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.

Given that all of the applicable percentage ratios in relation to the formation of joint venture under the JV Agreement (i.e. the maximum contribution amount of RMB2,550,000,000 by Shenwan Infrastructure) exceeds 5% but all of them are less than 25%, the transaction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Transaction Documents and the transactions contemplated thereunder, and none of the Directors is required to abstain from voting on the board resolutions approving the Transaction Documents and the transactions contemplated thereunder.

## **INTRODUCTION**

On 29 November 2019, Shenwan Infrastructure, Guangdong Highway Construction, Lealu Investment and Leaxin Investment entered into the JV Agreement, the principal terms of which are set out below.

## **THE JV AGREEMENT**

### **Date**

29 November 2019

### **Parties**

- (a) Shenwan Infrastructure, a company established in the PRC with limited liability and an indirect non wholly-owned subsidiary of the Company;
- (b) Guangdong Highway Construction, a company established in the PRC with limited liability and a non wholly-owned subsidiary 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;
- (c) Lealu Investment, a company established in the PRC with limited liability and a wholly-owned subsidiary of Guangdong Highway Construction; and

- (d) Leaxin Investment, a company established in the PRC with limited liability and a wholly-owned subsidiary of Leatop Real Estate, which in turn is a wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited\* (廣東省交通集團有限公司).

### **Formation of joint venture**

Pursuant to the JV Agreement and JV Articles, the Parties agreed to, among other things, (i) jointly establish the Project Company to participate in the bidding for the land use rights of the Project Land and, after successful Bidding, engage in the subsequent development of residential project on the Project Land, (ii) form a Consortium to participate in the bidding in the event that the Project Company cannot be established in time for the same purpose or the procedures required of the Project Company as a bidder of the Project Land cannot be completed in time and, after successful Bidding, the Project Company to engage in the subsequent development of residential project on the Project Land and (iii) regulate their respective rights and obligations in relation to the management, operation and affairs of the Project Company. The Project Company will be owned as to 37.5%, 20%, 5% and 37.5% by Guangdong Highway Construction, Lealu Investment, Leaxin Investment and Shenwan Infrastructure respectively. The Project Company's scope of business will include real estate development and operation, self-owned real estate operating activities, car park operation, investment consulting service, property leasing operation, venue leasing operation (excluding warehouses), property management, property agency and property consultancy.

### **Registered capital of the Project Company and payment of the Bidding Deposit and the land premium and relevant taxes of the Project Land**

The registered capital of the Project Company is initially set at RMB10,000,000. The contribution to be made by Guangdong Highway Construction, Lealu Investment, Leaxin Investment and Shenwan Infrastructure is RMB3,750,000, RMB2,000,000, RMB500,000 and RMB3,750,000 respectively in cash, which are determined with reference to their respective percentage of equity interest in the Project Company, and should be paid into the Project Company before 31 December 2020. The Project Company shall pay for the Bidding Deposit and the land premium and relevant taxes of the Project Land with the registered capital contributed by the Parties. Any shortfall shall be made up by the Parties by way of shareholders' loans to the Project Company.

### **The maximum amount of contribution by the Parties**

The maximum total amount of contribution (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the Parties to the Project Company shall not exceed RMB6,800,000,000 (the "**Total Upper Limit**"), among which, the maximum contribution amount by Guangdong Highway Construction shall not exceed RMB2,550,000,000, the maximum contribution amount by Lealu Investment shall not exceed RMB1,360,000,000, the maximum contribution amount by Leaxin Investment shall not exceed RMB340,000,000 and the maximum contribution amount by Shenwan Infrastructure shall not exceed RMB2,550,000,000 (each Party's respective maximum contribution amount, the "**Respective Party's Limit**", and together with the Total Upper Limit, the "**Contribution Limits**"). Any increase of the Respective Party's Limit is subject to the fulfillment of the following conditions (the "**Conditions**"):

- i) the Parties shall have obtained the approvals or authorizations from their internal regulatory units and relevant regulatory authorities, and fulfilled the relevant regulatory requirements in relation to foreign investment in real estate, foreign exchange, source of funding for bidding of land and disclosures of listed companies, etc.;
- ii) in respect of Shenwan Infrastructure, the listing rules applicable to the Company must have been complied with, and the relevant approvals of the Stock Exchange (if applicable) and shareholders' approval of the Company (if applicable) must have been obtained; and
- iii) the written consent of the Parties must have been obtained.

The Total Upper Limit was arrived at after arm's length negotiation among the Parties with reference to the estimated cost of acquisition of the land use rights of the Project Land, the estimated costs of the Ancillary Works and other estimated costs and expenses in relation to the operation of the Project Company. The Respective Party's Limit was determined based on their respective percentage of equity interest in the Project Company. It is intended that Shenwan Infrastructure's commitment of up to its Respective Party's Limit will be satisfied by way of external financing and internal resources of the Group.

The total investment amount of the Project Company is not bound by the Total Upper Limit. The Project Company may arrange financing from banks or other third parties for the cost of development of the Project Land with the use of its own credit and assets.

### **Information of the Project Land**

As disclosed in the Company's annual report for the year ended 31 December 2018, in response to urban development needs, the local government proposed to revise the land use planning on land plots of the Xintang interchange on the GS Superhighway and to change the land use to Type II residential. The local government will have to resume the vacated land plots in accordance with relevant laws and regulations before putting them up for bidding and auction. Since GS Superhighway JV holds the land plots of the Xintang interchange, according to the relevant policies in the PRC, it is entitled to cash compensation from the local government when the land plots are resumed by the local government. With a view that the land use of the land plots of the Xintang interchange will be converted to Type II residential after its resumption by the local government and thereafter making the land plots available for bidding, the GS Superhighway JV has surrendered its land use rights of approximately 300,000 sq.m. of land at the Xintang interchange principally on both sides of the GS Superhighway located in Nanan Village\* and Xindun Village\* of the Xintang Town (the "**Resumed Land**"), to the Zengcheng branch of the Guangzhou Municipal Planning and Natural Resources Bureau for an aggregate compensation amount of approximately RMB180 million which was determined based on the original type of land use (being road construction) and market value of the land plots determined by independent property valuer in the PRC.

On 21 November 2019, a public notice was issued by the relevant PRC government authority whereby the Project Land (being part of the Resumed Land) has been put up for online bidding. The Project Land (land plot number: 83101203A19206) in land use of Type II residential is located at the Xintang interchange on both sides of the GS Superhighway in Nanan Village\* and Xindun Village\* of the Xintang Town, Zengcheng District, Guangzhou Municipality, Guangdong Province, the PRC, with a total land area of 199,781.98 sq.m., gross construction area of not more than 599,346 sq.m. and plot ratio of not more than 3.0.

The listing price of the land premium for the bid is RMB4,124,000,000 and the maximum price must not exceed RMB5,979,800,000. Upon successful Bidding, 50% of the land premium (including the amount of the Bidding Deposit) shall be paid within 30 days after the date of entering into of the land use rights contract of the Project Land with the relevant government authority (the “**Contract Date**”), and the remaining 50% shall be paid within 1 year from the Contract Date.

### **Shareholders’ loans by the Parties**

Prior to the provision of any shareholder’s loan to the Project Company, the lending Party and the Project Company shall enter into a shareholder’s loan agreement, specifying, among other things, the loan interest rate, loan term, repayment date/schedule and liabilities for default, etc., such terms being the same for all lending Parties in respect of the same batch of shareholders’ loans. The provision of any shareholder’s loan by the Parties shall be subject to the restriction of the Contribution Limits and the fulfillment of the Conditions. The repayment of the same batch of shareholders’ loans (or any part thereof) by the Project Company shall be made among the lending shareholders on a pro rata basis.

#### *Shareholders’ loans for payment of the Bidding Deposit, the land premium and relevant taxes of the Project Land*

If the capital of the Project Company injected by the Parties is insufficient to pay for the Bidding Deposit, the land premium and relevant taxes of the Project Land, the shortfall shall be made up by the Parties with their own funds by way of providing shareholders’ loans to the Project Company in proportion to their respective equity interest in the Project Company. Such shareholders’ loans shall be provided to the Project Company at least 3 working days prior to the relevant payment deadline.

#### *Shareholders’ loans for the Ancillary Works*

If the Project Company fails to meet the funding requirements of the Ancillary Works with its own funds or through external financing, the Parties shall provide shareholders’ loans to the Project Company in proportion to their respective equity interest in the Project Company. Such shareholders’ loans shall be provided to the Project Company at least 10 working days prior to the relevant payment deadline.

#### *Other shareholders’ loans*

If the funds of the Project Company are insufficient to meet the needs of the subsequent development and construction on the Project Land and to maintain its daily operational needs, the Project Company may submit a written request to its board of directors containing details of its required capital amount, purpose and time of use. Subject to the unanimous approval of the board of directors and shareholders of the Project Company, the Parties shall provide their respective shareholder’s loan to the Project Company in proportion to their respective equity interest in the Project Company.

### **External financing of the Project Company**

After successful Bidding and upon attaining the necessary financing conditions, the Project Company shall first meet its funding requirements for the subsequent development and construction of residential project on the Project Land through external financing from banks and/or other financial institutions with its own credit and asset. Any request for shareholders’ loans from the Parties to the Project Company or provision of shareholders’ guarantee for the Project Company’s external financing for the development and construction of residential project on the Project Land shall be subject to the restriction of the Contribution Limits and the fulfillment of the Conditions.

## **Introduction of strategic partner to the Project Company**

After successful Bidding, a strategic partner can be introduced to the Project Company by way of Guangdong Highway Construction and Shenwan Infrastructure transferring their equity interests in the Project Company to the same strategic partner. Any plan to introduce a strategic partner must be unanimously approved by the shareholders of the Project Company.

## **Exit mechanism**

After 95% of the total saleable area of the residential project on the Project Land has been sold, the Parties may commence negotiations in relation to their exit from their investment in the Project Company. However, during the development and construction stage of the Project Land, if a Party proposes to transfer its equity interest in the Project Company (the “**Exiting Party**”) which is agreed by the other Parties, the other Parties shall have the pre-emptive right to purchase the equity interest of the Exiting Party in the Project Company on the same terms. If the other Parties do not exercise their pre-emptive right, the Exiting Party may transfer its equity interest in the Project Company to a third party. The Exiting Party shall ensure that the transferee unconditionally take up all the rights, obligations and responsibilities of the Exiting Party under the JV Agreement.

*Restriction on transfer, mortgage, pledge, etc.*

The Parties may not directly or indirectly transfer, mortgage, pledge or create any encumbrance on any part of their equity interest in the Project Company except with the unanimous consent of all the Parties (save for permitted intra-group transfer of the respective Parties).

## **Default mechanism**

*Overdue shareholder’s loan*

Failure to provide shareholder’s loan to the Project Company as agreed in accordance with the JV Agreement constitutes a material breach of contract and the defaulting Party shall compensate the Project Company and non-defaulting Party for all losses arising therefrom. If the defaulting Party fails to provide its shareholder’s loan in full by the stipulated time, other non-defaulting Parties will have the right to advance the relevant shareholder’s loan not provided by the defaulting Party and such advancement will be treated as shareholders’ loans advanced by the non-defaulting Parties to the Project Company. In this connection, the non-defaulting Parties advancing the shareholders’ loans will also be entitled to take up a corresponding pro rata portion of the registered capital of the Project Company held by the defaulting Party calculated in accordance with the JV Agreement without payment of any consideration to the defaulting Party, and the Parties’ respective percentage of equity interest in the Project Company shall be adjusted accordingly.

*Overdue capital contribution*

If the defaulting Party fails to pay its portion of the registered capital to the Project Company by the stipulated time under the JV Agreement, the defaulting Party shall pay a penalty amounting to 0.05% of the overdue payment per day to the non-defaulting Parties until it has fulfilled its capital contribution obligation. Other non-defaulting Parties will have the right to inject the relevant capital contribution not contributed by the defaulting Party to the Project Company, in which case, the Parties’ respective equity interest in the Project Company will be adjusted accordingly.

## **THE JV ARTICLES**

Some principal terms under the JV Agreement relating to the management and operation of the Project Company are also contained in the JV Articles, which are set out below:

### **Management structure of the Project Company**

#### *Composition of the board of directors*

The board of directors of the Project Company shall consist of five directors, of which Guangdong Highway Construction shall appoint two directors, Leaxin Investment shall appoint one director and Shenwan Infrastructure shall appoint two directors. The chairman of the Project Company, who shall also be the legal representative of the Project Company, shall be a director appointed by Guangdong Highway Construction.

#### *Supervisors*

The Project Company shall have two supervisors, one appointed by Leaxin Investment and one by Shenwan Infrastructure. Directors and senior management of the Project Company may not concurrently serve as supervisor.

#### *Senior management*

The Project Company shall have (i) one general manager appointed by Leaxin Investment, (ii) one executive deputy general manager (also in charge of finance) appointed by Shenwan Infrastructure, (iii) two deputy general managers, one appointed by Guangdong Highway Construction and one by Leaxin Investment, and (iv) one financial manager appointed by Guangdong Highway Construction.

### **Matters requiring unanimous consent of shareholders of the Project Company**

The following matters shall require unanimous consent of the shareholders of the Project Company: (i) to decide on the operating policies and investment plans; (ii) to appoint and replace the directors and supervisors in accordance with the nominations of the respective shareholders, and determine the remuneration of the directors and supervisors; (iii) to examine and approve the profit distribution plans, loss recovery plans, surplus fund withdrawal plans and other fund allocation plans; (iv) to adopt resolutions on the increase or reduction of registered capital of the Project Company; (v) to adopt resolutions on the Project Company's external financing arrangements (including the issuance of corporate bonds), external mortgage of its assets and external guarantees provided by the Project Company (except mortgage guarantees provided to home buyers); (vi) to adopt resolutions on the transfer or pledge of the Project Company's shares by its shareholders to third parties and the introduction of strategic partners to the Project Company; (vii) to adopt resolutions on matters such as merger, division, dissolution, liquidation, bankruptcy application and change in corporate form of the Project Company; (viii) to adopt amendment of the JV Articles; and (ix) to examine and approve the Project Company's request for shareholders' loans.

## **Matters requiring unanimous consent of the board of directors of the Project Company**

The following matters shall require unanimous consent of the board of directors of the Project Company: (i) to formulate the operating policies and investment plans; (ii) to prepare annual financial budgets and financial statements; (iii) to formulate the profit distribution plans, loss recovery plans, surplus fund withdrawal plans and other fund allocation plans; (iv) to formulate plans on the increase or reduction of registered capital of the Project Company; (v) to formulate plans on the Project Company's external financing arrangements (including the issuance of corporate bonds), external mortgage of its assets and external guarantees provided by the Project Company (except mortgage guarantees provided to home buyers); (vi) to decide on the Project Company's related party transactions with related parties; (vii) to formulate plans for the merger, division, dissolution, liquidation and change in corporate form of the Project Company; (viii) to formulate plans on the amendment of the JV Articles; and (ix) to formulate plans on the Project Company's request for shareholders' loans.

## **Profits distribution**

The surplus profits of the Project Company, after repayment of shareholders' loans (including interests accrued), discharge of other liabilities due for payment, retaining of relevant statutory reserve fund and payment of related taxes, may be distributed to the shareholders of the Project Company on a pro rata basis in accordance with their respective percentage of the paid-up registered capital of the Project Company. Profits distribution plan is subject to unanimous approval by the shareholders of the Project Company.

## **INFORMATION ON THE PARTIES**

The Company was incorporated in the Cayman Islands with limited liability, the shares of which have been listed on the Main Board of the Stock Exchange since 6 August 2003. The Group is principally engaged in highway infrastructure businesses and adopts development strategies focusing on the infrastructure and correlated business within the Guangdong-Hong Kong-Macao Greater Bay Area. The two expressways currently operated by the Group are the GS Superhighway and the Guangzhou-Zhuhai West Superhighway which are located at the core area of the Greater Bay Area.

Shenwan Infrastructure is principally engaged in infrastructure and correlated businesses and set up for the potential development and utilisation of the land along the GS Superhighway.

Guangdong Provincial Communication Group Company Limited\* (廣東省交通集團有限公司) is principally engaged in construction and operation of expressways and related financing operation, transportation and logistics, ancillary resources comprehensive operations and related services, operations of expressways facilities, research and development, design and supervisory and management services.

Guangdong Highway Construction is principally engaged in investment and operation of expressways in Pearl River Delta, which is also the PRC joint venture partner of the GS Superhighway JV.

Lealu Investment is principally engaged in commercial service businesses and set up for the potential development of the Project Land.

Leaxin Investment is principally engaged in commercial service businesses and set up for the potential development of the Project Land.



## **REASONS FOR AND BENEFITS OF ENTERING INTO THE JV AGREEMENT AND FORMATION OF JOINT VENTURE**

As disclosed in the annual report for the year 2018 and the interim report for the year 2019, the Company aims to strive for the opportunities in releasing land for comprehensive development with a view to realising the land value and maximising shareholder's value. Entering into the JV Agreement and forming the Project Company is an important step to pursue and implement the potential development and utilisation of the land along the GS Superhighway. This will allow the Company, together with other Parties, to participate in the bidding for the land use rights of the Project Land and, after successful Bidding, engage in the subsequent development of residential project on the Project Land.

## **LISTING RULES IMPLICATIONS**

As GS Superhighway JV is a deemed subsidiary of the Company, Guangdong Highway Construction, being a substantial shareholder of GS Superhighway JV, is a connected person of the Company at the subsidiary level. Accordingly, the formation of joint venture with Guangdong Highway Construction, its subsidiary (i.e. Lealu Investment) and a subsidiary of its holding company (i.e. Leaxin Investment) under the Transaction Documents, constitutes a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) have approved the Transaction Documents and the transactions contemplated thereunder and the Directors (including the independent non-executive Directors) have confirmed that the terms of the Transaction Documents and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms (and not in the ordinary and usual course of the Group's business) and in the interests of the Company and its Shareholders as a whole. By reason of the aforesaid, pursuant to rule 14A.101 of the Listing Rules, the Transaction Documents and the transactions contemplated thereunder 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.

Given that all of the applicable percentage ratios in relation to the formation of joint venture under the JV Agreement (i.e. the maximum contribution amount of RMB2,550,000,000 by Shenwan Infrastructure) exceeds 5% but all of them are less than 25%, the transaction also constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules, but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

None of the Directors has any material interest in the Transaction Documents and the transactions contemplated thereunder, and none of the Directors is required to abstain from voting on the board resolution approving the Transaction Documents and the transactions contemplated thereunder.

## DEFINITIONS

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

“Ancillary Works”	certain ancillary works required by the local government in connection with the development of the Project Land, including the transformation of the Xintang interchange, construction of a sky park above the Xintang interchange, transformation / construction of certain roads connecting the sky park and the residential project, etc. and construction of greenway
“Bidding”	the bidding for the land use rights of the Project Land by either the Project Company or the Consortium (as the case may be)
“Bidding Deposit”	the deposit in the amount of approximately RMB824,800,000 to be paid by the Project Company or the Consortium (as the case may be) for the purpose of obtaining the qualification to participate in the bidding of the Project Land, which will be applied towards settlement of part of the land premium or refunded if the Bidding is not successful
“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))
“connected person”	shall have the meaning ascribed to it under the Listing Rules
“Consortium”	the consortium which may be formed by the Parties to pursue the Bidding
“Director(s)”	director(s) of the Company
“Documents of Intent”	a memorandum of cooperation and two framework agreements entered into among the Company, Guangdong Highway Construction and Guangdong Leatop Real Estate Investment Co., Ltd.* (廣東利通置業投資有限公司) (in respect of one of the framework agreements only), which set out, among other things, the principles of cooperation in relation to the potential development and utilisation of the land along the GS Superhighway (including the Xintang interchange), as disclosed in the Company’s announcement dated 28 October 2019

“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 GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary 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
“Group”	the Company and its subsidiaries from time to time
“GS Superhighway”	Guangzhou-Shenzhen Superhighway
“GS Superhighway JV”	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited (廣深珠高速公路有限公司), a joint venture established by the Group in partnership with Guangdong Highway Construction for the operation and management of the GS Superhighway
“GPCG”	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction, Lealu Investment and Leaxin Investment)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the joint venture agreement dated 29 November 2019 entered into among the Parties in respect of the establishment, management and operation of the Project Company
“JV Articles”	the articles of the Project Company dated 29 November 2019 entered into and adopted by the Parties, being the shareholders of the Project Company, in conjunction with the JV Agreement
“Lealu Investment”	Guangzhou Lealu Investment Company Limited* (廣州利路實業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Guangdong Highway Construction
“Leatop Real Estate”	Guangdong Leatop Real Estate Investment Co., Ltd.* (廣東利通置業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary 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
“Leaxin Investment”	Guangzhou Leaxin Investment Company Limited* (廣州利新實業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Leatop Real Estate

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	collectively, Shenwan Infrastructure, Guangdong Highway Construction, Lealu Investment and Leaxin Investment, and each a “Party”
“PRC”	the People’s Republic of China which, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Project”	the Bidding and the development of residential project on the Project Land by the Project Company after successful Bidding
“Project Company”	a project company to be established in the PRC to participate in the Bidding and, after successful Bidding, engage in the subsequent development of residential project on the Project Land, and its equity interest will be held as to 37.5%, 37.5%, 20% and 5% by Shenwan Infrastructure, Guangdong Highway Construction, Lealu Investment and Leaxin Investment respectively
“Project Land”	the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, details of which are set out in the section headed “Information of the Project Land” in this announcement
“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)
“Shenwan Infrastructure”	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建(深圳)有限公司), a company established in the PRC with limited liability established by the Company for the purpose of investing into the Project Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transaction Documents”	the JV Agreement and JV Articles collectively
“%”	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, 29 November 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*