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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)

ANNOUNCEMENT

**POTENTIAL COMPENSATED LAND RESUMPTION
CONCERNING
LAND PARCELS ALONG LUOGANG INTERCHANGE
OF THE GS SUPERHIGHWAY**

This announcement is made by the board of directors (the “**Board**”) of Shenzhen Investment Holdings Bay Area Development Company Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) on a voluntary basis to provide information to shareholders and potential investors of the Company in relation to a possible handover of land parcels to the local government in Guangzhou by way of compensated land resumption.

BACKGROUND

In recent years, the Company has considered the studies on the planning of land along the Guangzhou-Shenzhen Superhighway (the “**GS Superhighway**”) and the feasibility study on the expansion work of the GS Superhighway with Guangdong Provincial Highway Construction Company Limited*(廣東省公路建設有限公司) (“**Guangdong Highway Construction**”), the joint venture partner of Guangzhou Shenzhen-Zhuhai Superhighway Company Limited (廣深珠高速公路有限公司) (the “**GS Superhighway JV**”), a joint venture established by the Group in the People’s Republic of China (the “**PRC**”) which operates the GS Superhighway, with the objective to promote the planning scheme of the integration of certain interchange transformations and development and utilisation of land simultaneously in order to seek a win-win solution that is in line with the land planning of the local government.

In respect of land development and utilisation, GS Superhighway JV had in 2019 handed over the land use rights of certain land parcels along the Xintang interchange of the Guangzhou section of the GS Superhighway to the local government and received a compensation amount of RMB180 million. Subsequently, the local government put up the land use rights of the Xintang residential development project for bidding, and the Group’s joint venture, Guangzhou Zhentong Development Company Limited*(廣州臻通實業發展有限公司), being a joint venture company established in the PRC for the purposes of development of the Xintang residential project, successfully won the bid.

POTENTIAL LAND RESUMPTION AT LUOGANG INTERCHANGE OF THE GS SUPERHIGHWAY

The Board wishes to inform the shareholders and potential investors of the Company that according to the relevant public consultation notice published by the relevant authority in Guangzhou, the nature of land use of certain land parcels at Luogang interchange is proposed to be changed to Type II residential (inclusive of commercial use), and the consultation period ended on 25 October 2021. Based on usual procedure, after the consultation period has ended, the relevant government department will examine the land planning as published and will make decision on whether to change or adjust the nature of the land use.

GS Superhighway JV is in the process of negotiating with the relevant government authority in Guangzhou in relation to the potential handover of the land use rights of certain land parcels owned by GS Superhighway JV at the Luogang interchange of the Guangzhou section of the GS Superhighway to the local government in accordance with the applicable laws in the PRC, at a compensation sum payable by the local government to GS Superhighway JV. Currently, the exact size of the land parcels that will be handed over by GS Superhighway JV and the terms of the resumption (including the compensation sum) are still under negotiation with the local government. It is expected that a land resumption agreement will be entered into with the local government when the terms of the proposed land resumption are finalised.

According to the Company's understanding, after the vacated land parcels are resumed by the local government, it is expected that the land use rights of such land parcels (with the finally determined nature of land use) will be put up for bidding and auction. It is anticipated that the Company will further negotiate with Guangdong Highway Construction in relation to the participation in the bidding for the land use rights of the resumed land parcels, in order to capture the opportunity to invest in land development project along the GS Superhighway which is in line with the Company's strategy to optimise its land value and maximise shareholders' return. The land parcels at the Luogang interchange which may be subject to the proposed land resumption are currently used by GS Superhighway JV as toll collection plaza and green area. It is expected that normal operation of the GS Superhighway would be maintained during the handover process.

As at the date of this announcement, no legally binding agreement has been entered into by any party in relation to the proposed land resumption or establishment of any new joint venture with Guangzhou Highway Construction, and there is no assurance that the relevant land resumption agreement will be entered into or any investment in new land development project will be implemented. The procedure for change of nature of land use of the land parcels at Luogang interchange is still in progress and there is no assurance that the relevant procedure will eventually be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. Further announcement(s) will be made by the Company in respect of the progress of the land resumption as and when appropriate in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 2021

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), Mr. Junye CAI* and Mr. Weiguo ZONG*; 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*