

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

**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)

INSIDE INFORMATION

**COMMENCEMENT OF PUBLIC TENDER
IN RELATION TO
THE POTENTIAL DISPOSAL OF 22.5% AND 37.5%
EQUITY INTEREST IN THE PROJECT COMPANY
AND THE CORRESPONDING SHAREHOLDER'S LOAN
BY THE GROUP AND GPCG RESPECTIVELY**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Reference is made to (i) the announcements of the Company dated 29 November 2019 and 27 December 2019 in relation to the formation of the Project Company and the successful bid for the land use rights of the Project Land by the Project Company and (ii) the announcement of the Company dated 12 June 2020 in relation to the potential disposal of 22.5% and 37.5% equity interest in the Project Company and the corresponding shareholder's loan by the Group and GPCG respectively (the "Announcements"). Unless otherwise stated or the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

COMMENCEMENT OF THE PUBLIC TENDER FOR THE POTENTIAL DISPOSAL

The Board wishes to announce that a tender notice relating to the Potential Disposal has been published on the websites of Shenzhen United Property and Share Rights Exchange* (深圳聯合產權交易所), Southern United Assets and Equity Exchange* (南方聯合產權交易中心) and GuangDong United Assets and Equity Exchange* (廣東聯合產權交易中心) respectively on 17 July 2020. From such date up to 13 August 2020, interested parties may apply to the relevant equity exchange centre for registration as potential purchasers of the Subject Interests. Afterward, not less than two (2) and not more than five (5) potential purchasers will be selected as qualified bidders and be invited to participate in an online bidding process. Upon the closure of the online bidding process, the qualified bidder who offers the highest bidding price will be the successful bidder. For further information relating to the Potential Disposal, selection

process for qualified bidders and detailed procedures of the Public Tender, please refer to the respective websites of Shenzhen United Property and Share Rights Exchange (<http://www.sotcbb.com>), Southern United Assets and Equity Exchange (<http://www.csuaee.com.cn>) and GuangDong United Assets and Equity Exchange (<http://www.gduace.com>).

CONSIDERATION OF THE POTENTIAL DISPOSAL

The minimum bidding price in relation the Potential Disposal is RMB1,225,689,026.68 (the “**Base Price**”), which is determined with reference to a valuation report issued by an independent qualified appraisal institution in the PRC in respect of the valuation of the Subject Interests as at 31 December 2019, being the date of valuation, among which, (i) the minimum bidding price for the 22.5% equity interest of the Project Company and the corresponding shareholder’s loan (together with outstanding interests accrued thereon) held by Shenwan Infrastructure is RMB272,898,665.01 and RMB186,734,720.00 respectively; and (ii) the minimum bidding price for the 37.5% equity interest of the Project Company and the corresponding shareholder’s loan (together with outstanding interests accrued thereon) held by Guangdong Highway Construction is RMB454,831,108.34 and RMB311,224,533.33 respectively. The value of the aforesaid shareholders’ loans (together with outstanding interests accrued thereon) as at 31 December 2019 were determined on a dollar-for-dollar basis under the aforesaid valuation report.

In addition to the successful bidding price (which will be the highest bidding price obtained under the bidding process), the successful bidder shall pay the following as part of the total consideration for the transfer of the Subject Interests:

- (a) in respect of the total amount of the aforesaid shareholders’ loans provided by Shenwan Infrastructure and Guangdong Highway Construction and the outstanding interests accrued thereon as at 31 December 2019, interests will further accrue on such total amount at the rate of 8 per cent per annum from 1 January 2020 up to the date of full settlement of the total consideration for the Subject Interests (the “**Post-Valuation Date Period**”), and such further interests (the “**Post-Valuation Date Interests**”) shall become payable by the successful bidder (i.e. the purchaser of the Subject Interests) to Shenwan Infrastructure and Guangdong Highway Construction respectively as part of the total consideration for the Subject Interests; and

(b) in respect of any further shareholders' loans advanced by Shenwan Infrastructure and Guangdong Highway Construction to the Project Company during the Post-Valuation Date Period corresponding to their respective percentage of equity interests in the Project Company to be disposed of under the Potential Disposal, interests will accrue at the rate of 8 per cent per annum from the date of advancement of the shareholders' loans up to the date of full settlement of the total consideration for the Subject Interests, and such shareholders' loans (together with outstanding interests accrued thereon) will form part of the Subject Interests to be transferred to the successful bidder on a dollar-for dollar basis (the "Post-Valuation Date Shareholders' Loans") and become payable by the successful bidder to Shenwan Infrastructure and Guangdong Highway Construction respectively as part of the total consideration for the Subject Interests.

LISTING RULES IMPLICATIONS

Guangdong Highway Construction, being a substantial shareholder of GS Superhighway JV (a deemed subsidiary of the Company), is a connected person at the subsidiary level of the Company under the Listing Rules. The Potential Disposal, being a joint disposal by Shenwan Infrastructure and Guangdong Highway Construction, if materialised, will constitute a connected transaction of the Company at the subsidiary level under Chapter 14A of the Listing Rules.

Taking into account the Group's pro rata portion of the Base Price (i.e. approximately RMB459,633,385) (which may or may not increase as a result of the bidding process) together with the current estimation of the Post-Valuation Date Interests and the Post-Valuation Date Shareholders' Loans which may become payable by the successful bidder to the Group as part of the total consideration under the Potential Disposal, the Potential Disposal, if materialised, will constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

POTENTIAL FINANCIAL EFFECT

If the Potential Disposal is materialised, it is expected that the Group may record a gain on disposal, and the general working capital and cash flow position of the Group will also be strengthened. As the consideration of the Potential Disposal is subject to the bidding process and yet to be determined, the actual financial effect of the Potential Disposal will be further announced in compliance with the Listing Rules as and when appropriate or required if the Potential Disposal is materialised.

As at the date of this announcement, no definitive sale and purchase agreement with respect to the Potential Disposal has been entered into by the Group. As the Potential Disposal may or may not materialise, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. The Company will make further announcement(s) in compliance with the Listing Rules and Part XIVA of the SFO as and when appropriate or required.

DEFINITIONS

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

“Potential Disposal”	the potential disposal of the Subject Interests by Shenwan Infrastructure and Guangdong Highway Construction by way of the Public Tender
“Subject Interests”	an aggregate of 60% equity interest in the Project Company (representing 22.5% equity interest owned by Shenwan Infrastructure and 37.5% equity interest owned by Guangdong Highway Construction) and the rights in the corresponding portion of the shareholders’ loans advanced by Shenwan Infrastructure and Guangdong Highway Construction respectively to the Project Company (including the outstanding interests accrued thereon)

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

Hong Kong, 19 July 2020

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. 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*