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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 TRANSACTION PURCHASE OF STRUCTURED DEPOSITS

PURCHASE OF STRUCTURED DEPOSITS

On 11 December 2020, Shenwan Infrastructure, an indirect non-wholly owned subsidiary of the Company, entered into the Structured Deposits Agreement with Bank of Beijing Shenzhen Branch, pursuant to which Shenwan Infrastructure agreed to purchase structured deposits of RMB800 million using internal resources.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated under Rule 14.07 of the Listing Rules) in respect of the Structured Deposits Agreement exceed 5% but all of them are less than 25%, the purchase of structured deposits under the Structured Deposits Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the notification and announcement requirements under the Listing Rules.

INTRODUCTION

On 11 December 2020, Shenwan Infrastructure, an indirect non-wholly owned subsidiary of the Company, entered into the Structured Deposits Agreement with Bank of Beijing Shenzhen Branch, pursuant to which Shenwan Infrastructure agreed to purchase structured deposits of RMB800 million using internal resources.

THE STRUCTURED DEPOSITS AGREEMENT

The principal terms of the Structured Deposits Agreement are set out as follows:

- (1) Date of subscription: 11 December 2020
- (2) Parties:
 - (i) Bank of Beijing Shenzhen Branch
 - (ii) Shenwan Infrastructure
- (3) Name of the product: Entity-targeted Structural Deposits (單位結構性存款)

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| (4) | Type of return: | Principal-guaranteed with variable return |
| (5) | Subscription amount (i.e. the principal amount): | RMB800 million (equivalent to approximately HK\$948.08 million) |
| (6) | Term of deposits: | From 14 December 2020 (inclusive) to 13 January 2021 (exclusive) (30 days) |
| (7) | Product linked and expected annualised rate of return: | 3-month USD LIBOR

The expected annualised rate of return is 1.35% to 3.81%. |
| (8) | Principle for calculation of return and interest: | Bank of Beijing Shenzhen Branch shall provide Shenwan Infrastructure with full coverage for the principal amount, and pay Shenwan Infrastructure the return that it is entitled to (if any) based on the price performance of the linked product in accordance with the relevant provisions as stipulated in the Structured Deposits Agreement. |
| (9) | Right of early termination: | Shenwan Infrastructure has no right of early termination (redemption) for this product.

Bank of Beijing Shenzhen Branch has the right to the early termination of this product and the Structured Deposits Agreement according to the actual operational situation. Bank of Beijing Shenzhen Branch shall notify Shenwan Infrastructure at least 1 Business Day prior to the date of early termination by way of a notification published on its official website or business networks or sent to the correspondence address of Shenwan Infrastructure. |
| (10) | Payment of principal and return: | The principal shall be paid on the maturity date of the structured deposits and the return on the structured deposits (if any) shall be paid on the third Business Day after the maturity date of the structured deposits. |

INFORMATION ON THE PARTIES

The Group is principally engaged in expressway business and adopts development strategies focusing on the infrastructure and correlated business as well as land development and utilisation along the Guangzhou-Shenzhen Superhighway within the Greater Bay Area. The Group currently operates two expressways namely, the Guangzhou-Shenzhen Superhighway and the Guangzhou-Zhuhai West Superhighway, which are located at the core area of the Greater Bay Area.

Shenwan Infrastructure, an indirect non-wholly owned subsidiary of the Company, is principally engaged in infrastructure and correlated businesses and set up for the potential development and utilisation of the land along the Guangzhou-Shenzhen Superhighway.

Bank of Beijing is a licensed bank in the PRC and a joint stock company established under the laws of the PRC, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (Stock Code: 601169). To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Bank of Beijing Shenzhen Branch and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

REASONS FOR AND BENEFITS OF THE PURCHASE OF STRUCTURED DEPOSITS

The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Company, which is consistent with the core objectives of the Company to ensure capital safety and liquidity. The impact of risk factors on the expected rate of return of the Structured Deposits Agreement is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC.

The Directors consider that the terms of the Structured Deposits Agreement and the transactions contemplated thereunder are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

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

“3-month USD LIBOR”	an indicative average interest rate at which a selection of banks in London are prepared to lend to one another in US dollars with a maturity of three months
“Bank of Beijing”	Bank of Beijing Co., Ltd. (北京銀行股份有限公司), a joint stock company incorporated in the PRC with limited liability and a licensed bank in the PRC, the shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601169)
“Board”	the board of Directors
“Business Day”	a day on which Bank of Beijing is generally open for normal banking business to the public and which is not a Saturday, Sunday or public holiday in the PRC (but including the working Saturdays and Sundays as temporality stipulated by the State)

“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
“Director(s)”	director(s) of the Company
“Greater Bay Area”	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“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, and an indirect non-wholly owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Deposits Agreement”	the structured deposits agreement entered into between Shenwan Infrastructure and Bank of Beijing Shenzhen Branch dated 11 December 2020 in relation to the purchase of structured deposits
“USD”	United States dollars, the lawful currency of the United States of America
“%”	per cent

For the purpose of this announcement, conversion of RMB to HK\$ is based on the exchange rate of RMB1 to HK\$1.1851. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rate or at all.

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

Hong Kong, 11 December 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. 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*