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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”), you should at once hand this circular together with the form of proxy enclosed with this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of the Company to be held at 4th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 21 May 2024 at 11:00 a.m. is set out on pages 17 to 21 of this circular. If you do not propose to attend the annual general meeting, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or adjourned meeting should you so desire.

If a Typhoon Signal No. 8 or above is hoisted, or a Black Rainstorm Warning Signal or “extreme conditions after super typhoons” announced by the Hong Kong Government is/are in force on the date of the AGM, the Company may be required to change the above meeting arrangements at short notice. Shareholders are advised to check the websites of the Stock Exchange (www.hkexnews.hk) or the Company (www.sihbay.com) for further announcements and updates on the above meeting arrangements that may be issued by the Company. The AGM will be held as scheduled when an Amber or a Red Rainstorm Warning Signal is in force. Shareholders should decide on their own whether they would attend the AGM under bad weather conditions bearing in mind their own situations.

In addition, no corporate gifts will be distributed and no refreshments will be served by the Company at the above meeting.

24 April 2024

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at 4th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 21 May 2024 at 11:00 a.m. or any adjournment thereof
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors of the Company
“Business Day”	a day (other than a Saturday or a Sunday) on which licensed banks are open for business in Hong Kong and the Stock Exchange is open for business of dealing in securities
“Cayman Islands Companies Act”	the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	Shenzhen Investment Holdings Bay Area Development Company Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“core connected persons”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company for the time being
“Executive Committee”	the committee of executive Directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Government”	the government of Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	15 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company as amended, supplemented or modified from time to time
“Nomination Committee”	the nomination committee of the Company
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period as set out in the proposed Ordinary Resolution No. 5(B) of the notice of AGM up to a maximum of 20% of the total number of issued Shares as at the date of passing of the resolution approving the Share Issue Mandate
“Share Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase, during the period as set out in the proposed Ordinary Resolution No. 5(A) of the notice of AGM, Shares up to a maximum of 10% of the total number of issued Shares as at the date of passing of the resolution approving the Share Repurchase Mandate
“Shareholder(s)”	holder(s) of the Share(s)
“Shenzhen Expressway”	Shenzhen Expressway Corporation Limited (formerly known as Shenzhen Expressway Company Limited), a company listed on the Stock Exchange (Stock Code: 548) and Shanghai Stock Exchange (SSE Stock Code: 600548)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Takeovers Code” The Codes on Takeovers and Mergers and Share Buy-backs
“%” per cent.

LETTER FROM THE CHAIRMAN

**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)

Executive Directors

Mr. Xiangwen LIAO* (廖湘文) (*Chairman*)
Mr. Jianming WU* (吳建明) (*Executive General Manager*)
Mr. Cheng WU* (吳成) (*Deputy General Manager*)
Mr. Ji LIU* (劉繼)
(*Deputy General Manager and secretary to the Board*)

Registered office

P.O. Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Non-executive Directors

Ms. Siyan CHEN* (陳思燕)
Mr. Xuan WANG* (王軒)

**Head office and principal place
of business**

Rooms 4902–4916, 49th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai, Hong Kong

Independent Non-executive Directors

Mr. Yu Lung CHING
Mr. Tony Chung Nin KAN SBS, JP
Mr. Peng XUE* (薛鵬)

24 April 2024

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM relating to (i) re-election of Directors, and (ii) granting the Directors general mandates to issue and repurchase Shares up to 20% and 10% respectively of the Company's total number of issued Shares as at the date of the passing of the resolutions.

RE-ELECTION OF DIRECTORS

The Board currently consists of nine Directors namely, Mr. Xiangwen LIAO*, Mr. Jianming WU*, Mr. Cheng WU*, Mr. Ji LIU*, Ms. Siyan CHEN*, Mr. Xuan WANG*, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*.

LETTER FROM THE CHAIRMAN

Pursuant to Article 95 of the Articles of Association, Mr. Xuan WANG* shall retire from office at the AGM and being eligible, offer himself for re-election.

Pursuant to Article 112 of the Articles of Association, Mr. Cheng WU*, Mr. Ji LIU*, Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN shall retire from office at the AGM and being eligible, offer themselves for re-election.

The biographical details of the Directors proposed to be re-elected at the AGM are set out in Appendix I to this circular.

The Board had identified candidate pursuant to criteria set out in the nomination policy adopted by the Company and recommendation of the Nomination Committee and reviewed the written confirmation of independence of Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN based on the independence criteria as set out in rule 3.13 of the Listing Rules. The Board is also of the view that both Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN would bring to the Board their own perspectives, skills and experience, as further described in their biographical details in Appendix I to this circular.

Based on the board diversity policy adopted by the Company, the Board considered that Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN can contribute to the diversity of the Board, in particular, with their professional background enable them to provide valuable, independent and objective view to the Company's affairs.

Accordingly, the Board has proposed that the above retiring Directors, namely Mr. Cheng WU*, Mr. Ji LIU*, Mr. Xuan WANG*, Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN stand for re-election as Director by way of separate resolution at the AGM.

DIRECTORS' FEES

Having regard to the directors' fees of listed companies of similar businesses and/or market capitalisation and the duties and responsibilities of the Directors towards the Company, the Directors, based on the recommendation of the Remuneration Committee, propose that the Directors' fees for the year ending 31 December 2024 for Shareholders' approval at the AGM will be the same as those for the year ended 31 December 2023.

LETTER FROM THE CHAIRMAN

Details of the current Directors' fees for the year ended 31 December 2023 and the proposed Directors' fees for the year ending 31 December 2024 are set out below:

	For the year ended 31 December 2023 HK\$ (per annum)	For the year ending 31 December 2024 HK\$ (per annum)
Directors' fees:		
Each of the Executive Directors	200,000	200,000
Each of the Non-executive Directors and Independent Non-executive Directors	350,000	350,000
Additional Directors' fees for Audit Committee:		
Chairman	50,000	50,000
Each of the other members	20,000	20,000
Additional Directors' fees for Remuneration Committee:		
Chairman	50,000	50,000
Each of the other members	20,000	20,000
Additional Directors' fees for Nomination Committee:		
Chairman	50,000	50,000
Each of the other members	20,000	20,000

A resolution will be proposed at the AGM under Resolution No. 3(f) of the notice of the AGM regarding the fixing of the Directors' fees for the year ending 31 December 2024.

GENERAL MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 19 May 2023, a general mandate was given to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the total number of issued Shares as at the date of the passing of the resolution. Such general mandate will lapse at the conclusion of the AGM.

An ordinary resolution will be proposed at the AGM to grant the Directors the Share Repurchase Mandate, details of which are set out in Ordinary Resolution No. 5(A) of the notice of AGM.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate, is set out in Appendix II to this circular.

LETTER FROM THE CHAIRMAN

GENERAL MANDATE TO ISSUE SHARES

At the annual general meeting of the Company held on 19 May 2023, a general mandate was given to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of the passing of the resolution and such general mandate was extended by adding to it the total number of Shares repurchased by the Company, if any, under the authority to repurchase Shares granted on that date. Such general mandate will also lapse at the conclusion of the AGM.

It will be proposed at the AGM the following two ordinary resolutions respectively: (i) granting the Directors the Share Issue Mandate; and (ii) authorising an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Share Repurchase Mandate, if granted.

As at the Latest Practicable Date, the total number of issued Shares comprised 3,081,690,283 Shares. Assuming that there is no change in the total number of issued Shares between the period from the Latest Practicable Date and the date of passing the resolution approving the Share Issue Mandate, the Company would be allowed to issue a maximum of 616,338,056 Shares pursuant to the Share Issue Mandate as at the date of passing of the resolution approving the Share Issue Mandate.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in Ordinary Resolutions Nos. 5(B) and 5(C) of the notice of AGM respectively.

ANNUAL GENERAL MEETING

At the AGM, resolutions will be proposed to the Shareholders in respect of ordinary businesses to be considered at the AGM, including the re-election of Directors, the proposed granting of the Share Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate. The notice of AGM is set out on pages 17 to 21 of this circular.

If you do not propose to attend the AGM, you are requested to complete and return the form of proxy enclosed with this circular in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or adjourned meeting should you so desire.

VOTING BY POLL

Under Rule 13.39(4) of the Listing Rules, vote(s) of Shareholders at general meeting(s) must be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, the chairman of the AGM shall pursuant to Article 76 of the Articles of Association demand each of the resolutions set out in the notice of AGM and to be proposed at the AGM be put to the vote by way of a poll.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors consider that the re-election of Directors, the proposed granting of the Share Repurchase Mandate, the Share Issue Mandate and the extension of the Share Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the AGM to give effect to them.

Yours faithfully,
Xiangwen LIAO*
Chairman

** For identification purpose only*

The biographical details of the Directors proposed to be re-elected at the AGM are set out as follows:

Mr. Cheng WU* (吳成)

Aged 54, Mr. WU was appointed as an Executive Director, the Deputy General Manager and a member of the Executive Committee of the Company, and a director of various subsidiaries of the Company on 11 April 2018. He obtained a bachelor's degree in Transportation Management* (交通運輸管理工程專業) from the Changsha Jiaotong College* (長沙交通學院) (now known as Changsha University of Science and Technology) in July 1995. Mr. WU worked as the Deputy General Manager and General Manager at the Luohu Station of Shenzhen Transportation Services Corporation* (深圳市交通運輸服務公司羅湖汽車站) since October 1997, and became the Deputy General Manager of the Management Office of Shenzhen Kuaiyibu Logistics Company Limited* (深圳市快一步物流有限公司) in February 2002. He was the head of the Business Department of Shenzhen Highway Passenger and Freight Transport Service Centre* (深圳市公路客貨運輸服務中心) in February 2009. Mr. WU joined Shenzhen Highway Passenger and Freight Transport Service Center Company Limited* (深圳市公路客貨運輸服務中心有限公司) in June 2012 as a Deputy General Manager, and has also held an additional post of the Chairman of the Board of Directors of Shenzhen Transportation Service Company Limited* (深圳市客運服務有限公司) since November 2014.

Mr. WU has no specific term of service with the Company, but he is subject to retirement from office and re-election at the general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the annual general meetings of the Company, and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company's remuneration policy and the market conditions and practice. For 2023, he received a Director's fee of HK\$200,000 and other emoluments of approximately RMB1,455,000 from the Company.

Save as disclosed herein, as at the Latest Practicable Date, Mr. WU (i) has not held any directorship in other listed public company during the last three years; (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO; and (iv) there are no other matters in relation to the re-election of Mr. WU as an Executive Director that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Ji LIU* (劉繼)

Aged 48, Mr. LIU was appointed as an Executive Director, the Deputy General Manager, secretary to the Board and a member of the Executive Committee of the Company, and a director of various subsidiaries of the Company on 11 April 2018. Mr. LIU obtained a bachelor's degree in Economics from Zhongnan University of Finance and Economics and a Master of Science degree from the Hong Kong Polytechnic University in 1998 and 2004 respectively, and obtained an EMBA degree from Xiamen University in September 2018. He has obtained the qualification as an Economist in 2002.

Mr. LIU has many years of experience on investment and mergers of listed companies, state-owned property management, and corporate governance of listed companies. He joined Shenzhen Shenhua Group Corporation* (深圳市深華集團公司) in 1998 and joined the Property Management Office of the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal* (深圳市國有資產監督管理委員會產權管理處) in 2005. Mr. LIU joined Shenzhen International since August 2006. He successively held the posts of the Secretary of the Board of Executive Directors, the General Manager of the Information Technology Department, the General Manager of the Administration Department, the General Manager of the Corporation Management Department and the General Manager of the Investment Management Department, etc. Mr. LIU is currently a mediator of Shenzhen Court of International Arbitration* (Shenzhen Arbitration Commission*) (深圳國際仲裁院(深圳仲裁委員會)) and the Supervisor of Shenzhen Cereals Holdings Co., Ltd. (深圳市深糧控股股份有限公司) (listed on the Shenzhen Stock Exchange (stock codes: A000019 and B200019)). From November 2016 to May 2018, he was a non-executive director of Shenzhen Expressway.

Mr. LIU has no specific term of service with the Company, but he is subject to retirement from office and re-election at the general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. His Director's fee is to be determined by the Shareholders at the annual general meetings of the Company, and his other emoluments are to be determined by the Board based on the recommendation of the Remuneration Committee with reference to his duties and responsibilities within the Group and his contribution to the Group, the Company's remuneration policy and the market conditions and practice. For 2023, he received a Director's fee of HK\$200,000 and other emoluments of approximately RMB1,445,000 from the Company.

Save as disclosed herein, as at the Latest Practicable Date, Mr. LIU (i) has not held any directorship in other listed public company during the last three years; (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO; and (iv) there are no other matters in relation to the re-election of Mr. LIU as an Executive Director that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Xuan WANG* (王軒)

Aged 50, Mr. WANG was appointed as a Non-executive Director on 30 June 2023. Mr. WANG obtained a Master's Degree in National Economics from Zhongnan University of Economics and Law in 2000. From 2002 to 2006, he successively worked for Wuhan Vanke Real Estate Co. Ltd.* (武漢市萬科房地產有限公司) and Shenzhen Vanke Development Co. Ltd.* (深圳市萬科發展有限公司). During 2007 to 2022, he served successively as the business manager of project investment center, assistant general manager and partner of business development center of China Vanke Co. Ltd. (Shenzhen Stock Exchange stock code: 000002 and the Stock Exchange stock code: 2202). Since 2023, he has been transferred to the southern region headquarters of China Vanke Co. Ltd. and is currently the regional partner and investment and strategy research general manager of the southern region headquarters of China Vanke Co. Ltd..

Mr. WANG has no specific term of service with the Company, but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. Subject to approval of Shareholders at the annual general meeting of the Company and recommendation of the Remuneration Committee from time to time, Mr. WANG will receive a Director's fee of HK\$350,000 per annum for acting as a Non-executive Director, which was determined with reference to his duties and responsibilities towards the Company and the market conditions and practice.

Save as disclosed herein, as at the Latest Practicable Date, Mr. WANG (i) has not held any directorship in other listed public company during the last three years; (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO; and (iv) there are no other matters in relation to the re-election of Mr. WANG as a Non-executive Director that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Yu Lung CHING (程如龍)

Aged 54, Mr. CHING was appointed as an Independent Non-executive Director, a member and the chairman of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018 and a member of the Nomination Committee of the Company on 1 January 2022. He has more than 31 years of experience in auditing, corporate finance and accounting, and is currently a financial consultant. Mr. CHING obtained a bachelor's degree in business administration from the Chinese University of Hong Kong and executive master's degree in business administration from Tsinghua University in 1992 and 2006, respectively. Mr. CHING is a fellow member of Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants and a member of the American Institute of Certified Public Accountants. Mr. CHING is an Independent Non-executive Director of Hopson Development Holdings Limited (stock code: 754), Ngai Hing Hong Company Limited (stock code: 1047) and Luzhou Bank Co., Ltd. (stock code: 1983), all are listed on the

Main Board of the Stock Exchange. He resigned as an Independent Non-executive Director of Termbray Industries International (Holdings) Limited (stock code: 93) with effect from 15 April 2022. Mr. CHING resigned as the chief financial officer of a listed company on the Main Board of the Stock Exchange with effect from 1 July 2023.

Mr. CHING has no specific term of service with the Company, but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. Subject to approval of Shareholders at the annual general meeting of the Company and recommendation of the Remuneration Committee from time to time, Mr. CHING's Director's fee for acting as an Independent Non-executive Director and additional Director's fee for serving as the chairman of the Audit Committee, a member of the Remuneration Committee and a member of the Nomination Committee currently being of HK\$350,000 per annum, HK\$50,000 per annum, HK\$20,000 per annum and HK\$20,000 per annum respectively, which was determined with reference to his duties and responsibilities towards the Company and the market conditions and practice.

Save as disclosed herein, as at the Latest Practicable Date, Mr. CHING (i) has not held any directorship in other listed public company during the last three years; (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO; and (iv) there are no other matters in relation to the re-election of Mr. CHING as an Independent Non-executive Director that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

Mr. Tony Chung Nin KAN SBS, JP (簡松年)

Aged 73, Mr. KAN was appointed as an Independent Non-executive Director, a member of the Audit Committee, a member of the Remuneration Committee of the Company on 11 April 2018, and a member of the Nomination Committee and the chairman of the Remuneration Committee of the Company on 1 January 2022 and 19 May 2023 respectively. He is the Founder and Senior Consultant of Tony Kan & Co., Solicitors & Notaries, practising as a Solicitor of the Supreme Court of Hong Kong since 1982. He is also a Solicitor of the Supreme Court of England and Wales, a Barrister and Solicitor of the Supreme Court of the Australian Capital Territory, as well as Advocate and Solicitor of the Supreme Court of the Republic of Singapore. He is also a China Appointed Attesting Officer and a Notary Public. Mr. KAN was a Committee Member of the National Committee of the Chinese People's Political Consultative Conference for three consecutive terms and was a Committee Member of the Guangdong Committee of the Chinese People's Political Consultative Conference for three consecutive terms. Mr. KAN had been an Elected Member of the Sha Tin District Council from 1985 to the end of 2011. He had also been an Elected Member of the Regional Council and he was elected as Vice Chairman of the Council in July 1997 until its dissolution at the end of 1999.

Since 1988, Mr. KAN has served as a Councillor of Heung Yee Kuk in the New Territories and is currently an Ex Officio Member and Executive Committee Member of Heung Yee Kuk. Mr. KAN is serving and has served on various advisory committees for the government, including Town Planning Board Member as well as the Building Committee Member of the Housing Authority. Mr. KAN has been appointed as an Independent Non-executive Director of Man Wah Holdings Limited (stock code: 1999) since May 2013, a company listed in Hong Kong. Mr. KAN has been appointed as an Independent Non-executive Director of Nameson Holdings Limited (stock code: 1982) since 29 January 2016, which has been listed on the Stock Exchange on 12 April 2016. He has been appointed as a Vice Chairman of the Board of Directors of DBG Technology Co., Ltd. (stock code: 300735) which has been listed on Shenzhen Stock Exchange ChiNext on 29 December 2017.

He was the Non-executive director of Midland Holdings Limited (“**Midland Holdings**”) (listed on the Main Board of the Stock Exchange (stock code: 1200), and subsequently became the Independent Non-executive Director of Midland Holdings during the period from October 1994 to September 2004. Mr. KAN has also served as a Non-executive director of Midland Holdings during the period from March 2014 to October 2016 and has been appointed as Non-executive Director as well as the chairman of the board of Midland IC&I Limited (listed on the Main Board of the Stock Exchange (stock code: 459) since October 2016 to October 2019. He has been appointed as an Independent Non-executive Director of Kimou Environmental Holding Limited (stock code: 6805) since 18 June 2019, which has been listed on the Stock Exchange on 16 July 2019.

Mr. KAN has no specific term of service with the Company, but he is subject to retirement from office and re-election at the annual general meetings of the Company and vacation of office in accordance with the provisions of the Articles of Association. Subject to approval of Shareholders at the annual general meeting of the Company and recommendation of the Remuneration Committee from time to time, Mr. KAN’s Director’s fee for acting as an Independent Non-executive Director and additional Director’s fee for serving as a member of the Audit Committee, the chairman of the Remuneration Committee and a member of the Nomination Committee currently being of HK\$350,000 per annum, HK\$20,000 per annum, HK\$50,000 per annum and HK\$20,000 per annum respectively, which was determined with reference to his duties and responsibilities towards the Company and the market conditions and practice.

Save as disclosed herein, as at the Latest Practicable Date, Mr. KAN (i) has not held any directorship in other listed public company during the last three years; (ii) does not have any relationship with any Directors, senior management, substantial Shareholders or controlling Shareholders of the Company; (iii) does not have any interest in the securities of the Company within the meaning of Part XV of the SFO; and (iv) there are no other matters in relation to the re-election of Mr. KAN as an Independent Non-executive Director that need to be brought to the attention of the Shareholders and there is no other information required to be disclosed under Rule 13.51(2) of the Listing Rules.

This appendix serves as an explanatory statement to provide Shareholders with requisite information to enable them to make an informed decision as to whether to vote in favour of the Share Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued Shares comprised 3,081,690,283 Shares.

Subject to the passing of Ordinary Resolution No. 5(A) of the notice of AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 308,169,028 Shares.

2. REASONS FOR REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earnings per Share.

3. FUNDING OF REPURCHASE

It is proposed that repurchase of Shares under the Share Repurchase Mandate in these circumstances would be financed from available cash flow or working capital facilities of the Group.

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Memorandum and Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Cayman Islands Companies Act, out of capital and, in case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles of Association and subject to the Cayman Islands Companies Act, out of capital of the Company.

4. IMPACT OF REPURCHASE

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements for the year ended 31 December 2023 contained in the Annual Report 2023 of the Company) in the event that the Share Repurchase Mandate was to be exercised in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise

the Share Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2023		
March	2.13	1.80
April	2.13	1.88
May	2.05	1.79
June	1.87	1.70
July	1.94	1.67
August	1.76	1.41
September	1.55	1.35
October	1.47	1.30
November	1.49	1.29
December	1.36	1.26
2024		
January	1.47	1.33
February	1.74	1.38
March	1.83	1.58
April (up to and including the Latest Practicable Date)	1.75	1.67

6. UNDERTAKINGS AND DIRECTORS' DEALINGS AND CORE CONNECTED PERSONS

The Directors, so far as the same may be applicable, will exercise the powers of the Company to make repurchases of Shares pursuant to Ordinary Resolution No. 5(A) of the notice of AGM and in accordance with the Listing Rules, the Memorandum and Articles of Association and the applicable laws and regulations of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief, having made all reasonable enquiries, any of their respective close associates, has any present intention to sell any Shares to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders. The Directors have confirmed that neither this explanatory statement nor the proposed share repurchase has any unusual features.

The Company has not been notified by any core connected persons that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Share Repurchase Mandate is approved by the Shareholders.

7. TAKEOVERS CODE

If, as a result of a share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s) but subject to the latitude provided by the 2% creeper provision under Rule 26 of the Takeovers Code, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provisions thereof may otherwise apply as a results of any such increase.

As at the Latest Practicable Date, Shenzhen Investment International Capital Holdings Infrastructure Co., Limited is beneficially interested in 2,213,449,666 Shares (representing approximately 71.83% of the total number of issued Shares).

In the event that the Directors exercise in full the power to repurchase Shares under the Share Repurchase Mandate, then, assuming the present equity shareholdings remain the same, the equity interests of Shenzhen Investment International Capital Holdings Infrastructure Co., Limited in the Company would be increased from approximately 71.83% to approximately 79.81% of the total number of issued Shares. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Share Repurchase Mandate. The Directors will not repurchase Shares to such an extent which will result in the number of Shares held by the public being reduced to less than 25% of the total number of issued Shares.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING

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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Shenzhen Investment Holdings Bay Area Development Company Limited (the “**Company**”) will be held at 4th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong on Tuesday, 21 May 2024 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated Financial Statements and the Report of the Directors and Independent Auditor’s Report for the year ended 31 December 2023.
2. To approve the payment of final dividend for the year ended 31 December 2023 of RMB11.55 cents per share of the Company.
3.
 - (a) To re-elect Mr. Cheng WU* as Director;
 - (b) To re-elect Mr. Ji LIU* as Director;
 - (c) To re-elect Mr. Xuan WANG* as Director;
 - (d) To re-elect Mr. Yu Lung CHING as Director;
 - (e) To re-elect Mr. Tony Chung Nin KAN as Director;
 - (f) To fix the Directors’ fees (see Note 6).
4. To re-appoint Messrs. KPMG as the auditor of the Company and authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, pass with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

(A) “THAT:

- (a) a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the

NOTICE OF ANNUAL GENERAL MEETING

Company may be listed and which is recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time provided however that the total number of the shares of the Company to be repurchased pursuant to this Resolution shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution); and

(b) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company.”

(B) “**THAT:**

- (a) a general mandate be and is hereby generally and unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with additional shares of the Company, and to make or grant offers, agreements or options (including warrants, bonds, debentures, notes and other securities which carry rights to subscribe for or are convertible into shares of the Company) which would or might require the exercise of such powers either during or after the expiry of the Relevant Period, provided that the total number of the shares allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to this Resolution (otherwise than as scrip dividends pursuant to the Articles of Association of the Company from time to time or pursuant to a Rights Issue (as hereinafter defined) or pursuant to the exercise of any rights of subscription or conversion under any existing warrants, bonds, debentures, notes and other securities issued by the Company or pursuant to any share option scheme), shall not exceed 20% of the total number of issued shares of the Company as at the date of the passing of this Resolution (such total

NOTICE OF ANNUAL GENERAL MEETING

number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution); and

(b) for the purposes of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company;

“**Rights Issue**” means an offer of shares of the Company or issue of options, warrants or other securities giving the right to subscribe for shares of the Company, open for a period fixed by the Directors of the Company to holders of shares of the Company on the register of members of the Company (or, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such shares (or, where appropriate, such other securities), subject in all cases to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company.”

- (C) “**THAT** the general mandate granted to the Directors to allot shares pursuant to Ordinary Resolution No. 5(B) of the notice of this meeting be and is hereby extended by the addition thereto of the total number of the shares of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution No. 5(A) of the notice of this meeting, provided that such extended number of shares of the Company shall not exceed 10% of the total number of issued shares of the Company as at the date of the passing of this Resolution (such total number to be subject to adjustment in the case of any conversion of any or all of the shares of the Company into a larger or smaller number of shares of the Company after the passing of this Resolution).”

By Order of the Board
Shenzhen Investment Holdings
Bay Area Development Company Limited
KOO Ching Fan
Company Secretary

Hong Kong, 24 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the head office and principal place of business of the Company at Rooms 4902–4916, 49th Floor, Sun Hung Kai Centre, 30 Harbour Road, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 11:00 a.m. on Friday, 17 May 2024 (Hong Kong Time)) or adjourned meeting (as the case may be).
3. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
4. To ascertain shareholders' eligibility to attend and vote at the annual general meeting, the Register of Members of the Company will be closed from Thursday, 16 May 2024 to Tuesday, 21 May 2024, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the annual general meeting, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Tuesday, 14 May 2024 (Hong Kong Time) for registration.
5. To ascertain shareholders' entitlement to the proposed final dividend upon the passing of resolution referred to in item 2 set out in this notice, the Register of Members of the Company will be closed for one day on Monday, 27 May 2024. No transfer of shares of the Company will then be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at the above address not later than 4:30 p.m. on Friday, 24 May 2024 (Hong Kong Time) for registration.

NOTICE OF ANNUAL GENERAL MEETING

6. With regard to the resolution referred to in item 3 of this notice, the Directors, based on the recommendation of the Remuneration Committee, propose that the Directors' fees for the year ending 31 December 2024 to be fixed at the following amounts:

HK\$
(for the year ending
31 December 2024)
(per annum)

Director's fees:

Each of the Executive Directors	200,000
Each of the Non-executive Directors and Independent Non-executive Directors	350,000

Additional Directors' fees for Audit Committee:

Chairman	50,000
Each of the other members	20,000

Additional Directors' fees for Remuneration Committee:

Chairman	50,000
Each of the other members	20,000

Additional Directors' fees for Nomination Committee:

Chairman	50,000
Each of the other members	20,000

7. With regard to the resolutions referred to in item 5 of this notice, the Directors propose to seek shareholders' approval of the general mandates to repurchase shares and to issue shares. A circular in connection with, among others, the proposals for re-election of Directors and general mandates to repurchase shares and to issue shares has been despatched to the shareholders of which this notice forms part.
8. Each of the resolutions set out in this notice will be voted by way of a poll.
9. If a Typhoon Signal No. 8 or above is hoisted or a Black Rainstorm Warning Signal or "extreme conditions after super typhoons" announced by the government is/are in force on the date of the meeting, the meeting will be postponed as follows:
- (i) Typhoon Signal No. 8 (or above) is hoisted or a Black Rainstorm Warning Signal or "extreme conditions after super typhoons" announced by the government is/are in force but lowered/cancelled at or before 7:00 a.m. on Tuesday, 21 May 2024, the meeting will be held as scheduled at 11:00 a.m. on the same day at the same venue; or
 - (ii) Typhoon Signal No. 8 (or above) is hoisted or a Black Rainstorm Warning Signal or "extreme conditions after super typhoons" announced by the government is/are in force or remains/remains hoisted at 7:00 a.m. on Tuesday, 21 May 2024, but lowered/cancelled at or before 12:00 noon, the AGM will be postponed to 4:00 p.m. on the same day at the same venue; or
 - (iii) Typhoon Signal No. 8 (or above) is hoisted or a Black Rainstorm Warning Signal or "extreme conditions after super typhoons" announced by the government is/are in force or remains/remains hoisted at 7:00 a.m. on Tuesday, 21 May 2024, but lowered/cancelled after 12:00 noon, the AGM will not be held on that day but will be automatically postponed. The Company will post an announcement on the Company's website (www.sihbay.com) and the HKEXnews website (www.hkexnews.hk) to notify shareholders of the Company of the date, time and venue of the rescheduled meeting.
10. No corporate gifts will be distributed and no refreshments will be served by the Company at the above meeting.
11. In the case of any inconsistency between the Chinese translation and the English text hereof, the English text shall prevail.