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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)

CONTINUING CONNECTED TRANSACTION IN RELATION TO 2025-2028 COASTAL EXPRESSWAY (SHENZHEN SECTION) REPAIR SERVICES AGREEMENT

2025-2028 COASTAL EXPRESSWAY (SHENZHEN SECTION) REPAIR SERVICES AGREEMENT

The Board is pleased to announce that after certain open tendering and bidding processes conducted through Shenzhen Sunshine Procurement Platform, on 29 July 2025 (after trading hours), the Coastal Company entered into the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement with the Qizhen Engineering Company, pursuant to which and subject to the terms therein, the Qizhen Engineering Company shall provide the Repair Services (as defined hereinafter) to the Coastal Company for a term of three years commencing from 30 July 2025, being the date specified in the site entry notice.

LISTING RULES IMPLICATIONS

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Qizhen Engineering Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding approximately 71.83% of the total issued shares of the Company) and therefore a connected person of the Company, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps, on an annual basis, exceeds 0.1% but all applicable percentage ratios are less than 5%, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcements of the Company dated 25 January 2024, 23 January 2025 and 5 June 2025 respectively in respect of the entering into of the 2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement and the 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement (and its revision of annual cap) between the Coastal Company and the Engineering Development Company, pursuant to which the Engineering Development Company had agreed to provide services such as daily maintenance, electrical and mechanical maintenance, towing and rescuing services for Coastal Phase I and Coastal Phase II, which also include the Repair Services (as defined hereinafter).

The 2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement had expired on 30 June 2025. After certain open tendering and bidding processes conducted through Shenzhen Sunshine Procurement Platform, on 29 July 2025 (after trading hours), the Coastal Company entered into the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement with the Qizhen Engineering Company, pursuant to which and subject to the terms therein, the Qizhen Engineering Company shall provide the Repair Services (as defined hereinafter) to the Coastal Company for a term of three years commencing from 30 July 2025, being the date specified in the site entry notice.

2025-2028 COASTAL EXPRESSWAY (SHENZHEN SECTION) REPAIR SERVICES AGREEMENT

Material Terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement

The material terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement are summarised as follows:

Date
29 July 2025

Parties

(a) Coastal Company
(b) Qizhen Engineering Company

Term

A term of three years commencing from 30 July 2025, being the date specified in the site entry notice.

The Coastal Company will conduct an assessment on the performance of the Qizhen Engineering Company at the end of each calendar year. If the Qizhen Engineering Company is found to be unqualified for its works done, the Coastal Company has the right to unilaterally terminate the contract.

Scope of services

The Qizhen Engineering Company shall provide repair services along the Coastal Expressway (Shenzhen Section) under the agreed scope including, among others, daily repair of roadbed, road surface, bridges, culverts, tunnel facilities, greenery, traffic safety facilities, houses, electromechanical facilities, navigation marks, as well as small-scale preventive maintenance, repair maintenance, and emergency maintenance projects within RMB2 million (the "**Repair Services**").

The Coastal Expressway (Shenzhen Section) is constructed in two phases, i.e. Coastal Phase I and Coastal Phase II. Coastal Phase I has been opened to traffic in 2013 and the construction of Coastal Phase II has been fully completed and opened to traffic in June 2024, including the interchange of the International Convention and Exhibition Center, and the connecting lane on the Shenzhen side of Shenzhen-Zhongshan Link, which opened to traffic in 2019 and June 2024 respectively. The agreed scope of the Repair Services under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement covers both Coastal Phase I and Coastal Phase II. Coastal Phase I extends from Dongbao River, the boundary between Dongguan and Shenzhen, to Nanshan District, Shenzhen and connecting with Hong Kong-Shenzhen Western Corridor. Coastal Phase II extends from Huanghe Toll Station on Jihe Expressway to the East Artificial Island of the Shenzhen-Zhongshan Link. It is an important transportation hub that connects the Shenzhen-Zhongshan Link, the Coastal Phase I, the Guangzhou-Shenzhen Superhighway, the Jihe Expressway and the Shenzhen International Airport.

Performance Guarantee

Within 30 days after receiving the letter of acceptance, the Qizhen Engineering Company shall provide a performance guarantee in the amount of 10% of the total fees for the Repair Services, in the form of cash, guarantee or surety insurance issued by a bank or professional guarantee company.

Repair Services Fee and Payment Terms

The Repair Services fee will be paid on a monthly basis. Based on the quantity of repair works that have been completed by the Qizhen Engineering Company and verified by the Coastal Company, the Qizhen Engineering Company will declare the corresponding measurement and payment progress report to the Coastal Company.

After receiving the monthly calculation statements or settlement statements submitted by the Qizhen Engineering Company, the Coastal Company shall modify or approve the above application statements within 14 days. The amount to be paid in each instalment period is 90% of the measured amount, with the remaining amount to be paid after the completion of the annual settlement. The Coastal Company shall within 14 days settle the monthly invoice issued by the Qizhen Engineering Company.

Quality Management and Defect Responsibility

The Qizhen Engineering Company shall establish an effective quality assurance system to carry out comprehensive quality management, implement the laws and regulations of the PRC and the Ministry of Transportation of the PRC on strengthening quality management, and to ensure that the quality of the Repair Services meet the frequency and quality standards stipulated in the relevant laws and regulations of the PRC.

According to the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, the Qizhen Engineering Company shall provide a defect liability period to the Repair Services. The defect liability period is generally 6 months from the date of issuance of the project acceptance certificate. During the defect liability period, the Qizhen Engineering Company shall be responsible for repairing the defects to the qualified standard according to the terms required in the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement.

Historical transaction amounts

For the two years ended 31 December 2024, the aggregate amounts paid and/or payable by the Coastal Company to the Engineering Development Company regarding the Repair Services were approximately RMB12.89 million and RMB12.79 million. For the six months ended 30 June 2025, the aggregate amounts paid and/or payable by the Coastal Company to the Engineering Development Company regarding the Repair Services was approximately RMB8.32 million. The above services fees amount are unaudited and are only estimated figures based on the information currently available to the Company as at the date of this announcement.

The Proposed Annual Caps

Pursuant to the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, for the three years commencing from 30 July 2025, the provision of the Repair Services by the Qizhen Engineering Company to the Coastal Company will not exceed the Proposed Annual Caps set out below:

	For the period commencing from 30 July 2025 and ending on 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)	For the year ending 31 December 2027 (RMB)	For the period commencing from 1 January 2028 and ending on 29 July 2028 (RMB)
Proposed Annual Caps	Approximately 6.50 million	Approximately 12.99 million	Approximately 12.99 million	Approximately 6.50 million

The Proposed Annual Caps was determined with reference to (i) the tender price for the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement provided by the Qizhen Engineering Company (the bid winner); (ii) the historical transaction amounts of the fees of the Repair Services paid or payable by the Coastal Company for the two years ended 31 December 2024 and six months ended 30 June 2025; (iii) the agreed scope of the Repair Services under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement covering both Coastal Phase I and Coastal Phase II; and (iv) the estimation of the Coastal Company in relation to its needs for highway repair, expenses on equipment and labour resources and estimated amount of works.

Pricing Policy

The fees for the Repair Services to be provided by the Qizhen Engineering Company under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement are determined with reference to the following factors:

(i) Based on the relevant policies related to construction pricing and construction budget in Guangdong Province and Shenzhen City, such as Regulations for Preparing Guangdong Province Highway Maintenance Project Budget*《廣東省公路養護工程預算編制辦法》, Budget Quota for Highway Maintenance Project in Guangdong Province*《廣東省公路養護工程預算定額》, Shenzhen Municipal Repair Engineering Consumption Standard (2020)*《深圳市市政維修工程消耗量標準》（2020）, Shenzhen Construction Project Valuation Rate Standard*《深圳市建設工程計價費率標準》 and Guangdong Province Transportation Construction Project Main Purchased Materials Information Price List*《廣東省交通建設工程主要外購材料信息價表》, the maximum bid limits for the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement were decided.

(ii) After certain open tendering and bidding processes conducted through Shenzhen Sunshine Procurement Platform and considering the bidder's bid price, technical capabilities and credibility comprehensively, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement was awarded to the Qizhen Engineering Company.

INTERNAL CONTROL MEASURES

In order to ensure that the pricing mechanism and terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement are fair and reasonable and no less favourable than the terms offered by independent third parties and the Proposed Annual Caps will not be exceeded, the Group has established a series of internal control procedures, namely:

(i) the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement was awarded to the Qizhen Engineering Company under an open tender process in accordance with the requirements of relevant laws and regulations of the PRC;

(ii) the management of the Group closely monitors the continuing connected transactions under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement not exceeding the Proposed Annual Caps thereunder. In the event the Proposed Annual Caps are expected to be exceeded, the Board will revise the Proposed Annual Caps and comply with the applicable Listing Rules accordingly;

(iii) the Group's audit committee will convene meetings every year to discuss and assess the implementation of the continuing connected transactions of the Group;

(iv) the external auditors of the Group will conduct a year-end audit for each financial year, and will issue their conclusion and letter to the Board in relation to the annual caps of the continuing connected transactions of the Group conducted during the preceding financial year pursuant to the Listing Rules; and

(v) in accordance with the Listing Rules, the independent non-executive Directors will conduct an annual review with respect to the continuing connected transactions of the Group throughout the preceding financial year and give confirmation on the transaction amounts and terms of the transactions in each annual report of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025-2028 COASTAL EXPRESSWAY (SHENZHEN SECTION) REPAIR SERVICES AGREEMENT

The 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement was awarded to the Qizhen Engineering Company under an open tender process through Shenzhen Sunshine Procurement Platform. It ensures that the Coastal Company selected competitive suppliers and enjoys high-quality services in the market.

Shenzhen Expressway Group has been providing services such as daily maintenance, electrical and mechanical maintenance, towing and rescuing services to the Coastal Company which also include the Repair Services. The Qizhen Engineering Company is specialised in highway repair business and possesses the relevant expertise and qualification. By entering into the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, the Coastal Company will continue to enjoy the consistent Repair Services provided by Shenzhen Expressway Group and can ensure the smooth and normal operation of the Coastal Expressway (Shenzhen Section).

The Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) consider that (i) the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group, and (ii) the terms of the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Xiangwen LIAO*, being the chairman of the Board and an executive Director of the Company, is also an executive director of Shenzhen Expressway as at the date of this announcement, he may be regarded as having a material interest in the transactions contemplated under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement, and had therefore abstained from voting on the relevant Board resolutions approving the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder. Save as disclosed in this announcement, no Director is required to abstain from voting on the relevant Board resolutions approving the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement.

INFORMATION OF THE PARTIES

Coastal Company

The Coastal Company is owned as to 51% and 49% by the Company and Shenzhen Expressway, respectively. Its principal business is the investment, construction and operation of Coastal Expressway (Shenzhen Section).

The Qizhen Engineering Company

The Qizhen Engineering Company is a company incorporated in the PRC which is indirectly owned as to 60% by Shenzhen Expressway and directly owned as to 40% by Mr. Cui Gang*, a third party independent of and not connected with the Company and its connected persons and their respective associates. The principal business of the Qizhen Engineering Company is the provision of services of municipal facility management; engineering management; road management and maintenance; roadbed and road surface maintenance operations and construction specialized operations.

LISTING RULES IMPLICATIONS

As the Coastal Company is an indirect non-wholly owned subsidiary of the Company and the Qizhen Engineering Company is an indirect non-wholly owned subsidiary of Shenzhen Expressway (the intermediate controlling shareholder of the Company holding approximately 71.83% of the total issued shares of the Company) and therefore a connected person of the Company, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the Proposed Annual Caps, on an annual basis, exceeds 0.1% but all applicable percentage ratios are less than 5%, the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement and the transactions contemplated thereunder are exempt from the circular (including independent financial advice) and independent Shareholders' approval requirements and are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

"2024 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement"	the agreement dated 25 January 2024 entered into between the Coastal Company and the Engineering Development Company in relation to the provision of daily maintenance, electrical and mechanical maintenance, towing and rescuing services, etc. to the Coastal Expressway (Shenzhen Section)
"2025 Coastal Expressway (Shenzhen Section) Maintenance Services Agreement"	the agreement dated 23 January 2025 entered into between the Coastal Company and the Engineering Development Company in relation to the provision of daily maintenance, electrical and mechanical maintenance, towing and rescuing services, etc.to the Coastal Expressway (Shenzhen Section)
"2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement"	the agreement dated 29 July 2025 entered into between the Coastal Company and the Qizhen Engineering Compan in relation to the provision of the Repair Services to the Coastal Expressway (Shenzhen Section), for a term of three years commencing from 30 July 2025
"Board"	the board of Directors of the Company
"Coastal Company"	Shenzhen Guangshen Coastal Expressway Investment Company Limited* (深圳市廣深沿江高速公路投資有限公司), a company incorporated in the PRC with limited liability, the equity interest of which is currently held as to 51% and 49% by the Company and Shenzhen Expressway respectively
"Coastal Expressway (Shenzhen Section)"	the Shenzhen section of Guangshen Coastal Expressway, which comprises of Coastal Phase I and Coastal Phase II
"Coastal Phase I"	Phase I of Coastal Expressway (Shenzhen Section), on the main line of Coastal Expressway (Shenzhen Section), the toll mileage is approximately 30.9 km and was opened to traffic on 28 December 2013
"Coastal Phase II"	Phase II of Coastal Expressway (Shenzhen Section) which includes two parts, being the construction of the interchange of the International Convention and Exhibition Center which was completed and opened to traffic in 2019 and the construction of the connection lane on the Shenzhen side of Shenzhen-Zhongshan Link which has total length of approximately 5.7 km and was opened to traffic in June 2024

"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(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Engineering Development Company"	Shenzhen Expressway Engineering Development Limited* (深圳高速工程發展有限公司), a company incorporated in the PRC and an indirect non-wholly owned subsidiary of Shenzhen Expressway
"Group"	the Company and its subsidiaries
"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" or "China"	the People's Republic of China
"Proposed Annual Caps"	the maximum amounts to be paid by the Coastal Company to the Qizhen Engineering Company for the Repair Services provided per year under the 2025-2028 Coastal Expressway (Shenzhen Section) Repair Services Agreement
"Qizhen Engineering Company"	Guangdong Qizhen Highway Engineering Limited* (廣東啟振公路工程有限公司), a company incorporated in the PRC and a wholly owned subsidiary of Engineering Development Company
"RMB"	Renminbi, the lawful currency of the PRC
"Shareholder(s)"	shareholder(s) of the Company

"Shenzhen Expressway"	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
"Shenzhen Expressway Group"	Shenzhen Expressway and its subsidiaries (but excluding the Group)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"%"	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 July 2025

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), Mr. Jianming WU* (General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); two Non-executive Directors namely, Ms. Siyan CHEN* and Mr. Xuan WANG*; and three Independent Non-executive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*.*

** For identification purpose only*