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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE
CONTINUING CONNECTED TRANSACTION**

**2025-2027 COASTAL EXPRESSWAY (SHENZHEN SECTION)
OPERATION AND MAINTENANCE MANAGEMENT ENTRUSTED AGREEMENT**

Reference is made to the announcement of the Company dated 25 July 2025 in relation to the entering into the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement between the Coastal Company and the Operation Development Company (the “**Announcement**”). Unless otherwise stated, all the capitalised terms used herein shall have the same meanings as those adopted in the Announcement.

The Board wishes to provide the Shareholders and potential investors of the Company the supplemental information regarding the pricing policy under the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement.

PRICING POLICY

In addition to the pricing policy as disclosed in the Announcement, the Group has also taken into account the following factors and measures for determining the fees for the Operation and Maintenance Management Services under the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement:

1. Based on the highway mileage and traffic volume of the Coastal Expressway (Shenzhen Section), the Group estimated that there would be approximately 50 personnel to be recruited to carry out the Operation and Maintenance Management Services and with reference to the 2024 average annual salary of urban employees in Shenzhen published by the Shenzhen Municipal Bureau of Statistics and taking into account appropriate performance bonuses as well as legally required payments for social insurance and housing provident fund, the Group has estimated that the cost for establishing an independent service team to carry out the Operation and Maintenance Management Services would be approximately RMB26 million, which would be higher than the highest Proposed Annual Cap as agreed in the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement, which is not conducive to achieving cost optimisation and maximising the interests of the Group and the Shareholders as a whole.

2. The Group has obtained fee quotes offered by no less than two independent third parties for the Operation and Maintenance Management Services and also made reference to recent market rate offered by independent third parties for similar services in Chinese mainland in the ordinary course of business, it was concluded that the fees offered by the Operation Development Company under the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement for the Operation and Maintenance Management Services are no less favourable to the Group than those offered to, or quoted by, independent third parties for the relevant services.
3. In determining the fees for the Operation and Maintenance Management Services, the Group has also taken into account the operation and maintenance management fees of the Group's other two expressways, i.e. Guangzhou-Shenzhen Superhighway and Guangzhou-Zhuhai West Superhighway, similar to Coastal Expressway (Shenzhen Section), both of them are also located in the Greater Bay Area and the operation and maintenance management services of these two expressways are carried out by joint ventures formed by the Group and Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), a third party. The operation and maintenance management fees per kilometer for Guangzhou-Shenzhen Superhighway and Guangzhou-Zhuhai West Superhighway in 2024 were both not only higher than that for the Coastal Expressway (Shenzhen Section) during the same period but also higher than the highest Proposed Annual Cap as agreed in the 2025-2027 Coastal Expressway (Shenzhen Section) Operation and Maintenance Management Entrusted Agreement.
4. Since employee costs account for approximately 80% of the fees for the Operation and Maintenance Management Services, in determining the fees for the Operation and Maintenance Management Services, the Group has set the general annual growth rate of fees for the next three years to be around 3%, with reference to the average annual wage growth rate of 4.4% for employees of non-private units in Shenzhen over the past three years.

Based on the above, the Directors (including the independent non-executive Directors but excluding Mr. Xiangwen LIAO*) consider that the pricing policy adopted by the Group in determining the fees for the Operation and Maintenance Management Services are not prejudicial to the interests of the Company and the Shareholders as a whole.

Saved as disclosed above, all other information as set out in the Announcement remains unchanged and shall continue to be valid for all purposes. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 25 August 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*