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深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00604)

CONTINUING CONNECTED TRANSACTION 2024 PROPERTY MANAGEMENT SERVICES AGREEMENT

2024 PROPERTY MANAGEMENT SERVICES AGREEMENT

The Board is pleased to announce that on 28 March 2024, Science City Co. (a subsidiary of Shum Yip Group) and Shum Yip Property Operation (a non-wholly owned subsidiary of the Company) entered into the 2024 Property Management Services Agreement to govern their respective rights and obligations with respect to the engagement by Science City Co. of Shum Yip Property Operations to provide property management services in relation to the Property for a term of one-year commencing from 1 January 2024 and ending on 31 December 2024.

LISTING RULES IMPLICATIONS

As Shum Yip Group is the ultimate holding company of the Company (it holds, through Shum Yip Holdings, approximately 63.19% of all issued Shares as at the date of this announcement), Science City Co., a subsidiary of Shum Yip Group, is therefore a connected person of the Company. Accordingly, the entering into of the 2024 Property Management Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap for the continuing connected transaction contemplated under the 2024 Property Management Services Agreement exceeds 0.1% but is than 5%, the property management services contemplated under the 2024 Property Management Services Agreement constitutes a continuing connected transaction of the Company and is subject to the reporting and announcement and annual review requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 28 March 2024, Science City Co. (a subsidiary of Shum Yip Group) and Shum Yip Property Operation (a non-wholly owned subsidiary of the Company) entered into the 2024 Property Management Services Agreement to govern their respective rights and obligations with respect to the engagement by Science City Co. of Shum Yip Property Operations to provide property management services in relation to the Property.

The principal terms of the 2024 Property Management Services Agreement are summarised below:

Date

28 March 2024

Parties

- (1) Science City Co. (a subsidiary of Shum Yip Group); and
- (2) Shum Yip Property Operation (a non-wholly owned subsidiary of the Company)

Term

1 January 2024 to 31 December 2024 (both dates inclusive)

Subject matter

Shum Yip Property Operation will provide certain property management services in respect of the Property during the term of the 2024 Property Management Services Agreement. The property management services includes, among others, maintenance, inspection and management of common areas and common facilities and equipment, cleaning services, pest control, waste collection and sewage pipe clearance, security, fire safety, maintenance and management of gardens, trees, lawns and hedgerows, concierge services, vehicles driving and parking management, provision of digital technologic services based on existing systems, files and record management, assistance in the preparing and implementation of energy saving plan.

Pursuant to the 2024 Property Management Services Agreement, Science City Co. will conduct evaluative assessment on the performance of Shum Yip Property Operation on the provision of the property management services during the term of the 2024 Property Management Services Agreement, and will not enter into renewal agreements with Shum Yip Property Operation if the evaluative assessment result of Shum Yip Property Operation is not excellent.

Service fees and payment terms

The monthly management service fee of RMB2,013,050.24 (tax inclusive and subject to adjustments) is payable on a quarterly basis by Science City Co.. The monthly management service fee mentioned above is subject to adjustments based on the utilization rate of the Property and the performance of Shum Yip Property Operation on the provision of the property management services.

At the initial operation stage of the Property, the management service fee will be settled in a floating and incremental manner based on the service staffing rate of Shum Yip Property Operation and the utilization rate of the Property, which is calculated by dividing the used area of the Property by the usable area of the Property as described below:

- (i) when the overall utilization rate of the Property is 25% or less and the service staffing rate of Shum Yip Property Operation is 50% or above, Science City Co. shall pay Shum Yip Property Operation 50% of the amount of the management service fee mentioned above;
- (ii) when the overall utilization rate of the Property is at 26-79% and the service staffing rate of Shum Yip Property Operation is 65% or above, Science City Co. shall pay Shum Yip Property Operation 65% of the amount of the management service fee mentioned above; and
- (iii) when the overall utilization rate of the Property reaches 80% or above, Science City Co. shall pay Shum Yip Property Operation the management service fee mentioned above in full.

Science City Co. will conduct assessment on the performance of the property management services provided by Shum Yip Property Operation for each quarter before making payment at the end of the corresponding quarter. The total assessment score is set to be 100; the actual amount of management service fee payable by Science City Co. will be adjusted in accordance with the following mechanism:

- (i) in cases where the assessment score is 90 or above, Science City Co. shall pay the management service fee in full; and
- (ii) in case where the assessment score is less than 90, Science City Co. will deduct Shum Yip Property Operation's management service fee for the corresponding quarter at the rate of $(90 - \text{assessment score}) \times \text{RMB}20,000$.

Science City Co. has the right to hire a third-party agency to conduct an annual assessment on the property management services provided by Shum Yip Property Operation. If the assessment result is excellent, the engagement of Shum Yip Property Operations will continue. If the assessment result is passed, a sum of RMB300,000 will be deducted from the management service fee.

Pricing basis

The management service fee for the property management services charged by Shum Yip Property Operation to Science City Co. was determined on an arm's length basis, based on normal commercial terms and after having considered (i) the location, type, quality and scale of the Property; (ii) the scope and standard of the services to be provided; (iii) the anticipated operational cost (including labour costs, material costs and administrative costs) for providing such services; and (iv) the prevailing market rate generally offered by service providers which are independent third parties of similar services.

HISTORICAL TRANSACTION AMOUNTS, ANNUAL CAP AND BASIS OF DETERMINATION

Shum Yip Property Operation started providing management services in relation to the Property on 26 April 2023 and the total property management services fees for the period from 26 April 2023 to 31 December 2023 was approximately RMB7,900,000 (tax inclusive), which was below the de minimis threshold of 0.1% under Rule 14A.76(1) of the Listing Rules and hence such property management services were fully exempt from the requirements under Chapter 14A of the Listing Rules.

Having considered the business development progress of the Property, the annual cap for the transactions contemplated under the 2024 Property Management Services Agreement i.e. for the 12 month period commencing from 1 January 2024 is set at RMB24,156,602.88, being the total management services fees (tax inclusive) payable by Science City Co. under the 2024 Property Management Services Agreement before adjustment (if any).

REASONS FOR AND BENEFITS OF THE TRANSACTION

Shum Yip Property Operation is principally engaged in the provision of city services, residential property management services and commercial property management and operational services business in the PRC and the entering into the 2024 Property Management Services Agreement is in its ordinary course of business.

The Directors (including the independent non-executive Directors) are of the view that the 2024 Property Management Services Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of business of the Group on an arm's length basis and the terms of which (including the payment terms) are normal commercial terms which, as well as the annual cap for the 2024 Property Management Services Agreement, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the 2024 Property Management Services Agreement. Accordingly, none of the Directors was required to abstain from voting on the board resolution approving the 2024 Property Management Services Agreement and the transactions contemplated thereunder (including the annual cap).

INFORMATION ON THE PARTIES

The Group is principally engaged in property development, property investment and property management business. Shum Yip Property Operation is a non-wholly owned subsidiary of the Company established in the PRC and is principally engaged in property management.

Shum Yip Group is an investment holding company and is the ultimate holding company of the Company. Shum Yip Group is ultimately wholly-owned by the Shenzhen Municipal People's Government of the PRC and under the administration of the Shenzhen State-owned Assets Supervision and Administration Commission (Shenzhen SASAC).

Science City Co. is a limited liability company established in the PRC and is principally engaged in the investment and financing construction, civil engineering construction, facility planning and construction, facility operation management and scientific and technological achievements transformation of Guangming District Science City. As at the date of this announcement, Shum Yip Group holds 60% of the paid up registered capital of Science City Co.. Thus, Science City Co. is a subsidiary of Shum Yip Group.

LISTING RULES IMPLICATIONS

As Shum Yip Group is the ultimate holding company of the Company (it holds, through Shum Yip Holdings, approximately 63.19% of all issued Shares as at the date of this announcement), Science City Co., a subsidiary of Shum Yip Group, is therefore a connected person of the Company. Accordingly, the entering into of the 2024 Property Management Services Agreement constitutes a continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the annual cap for the continuing connected transaction contemplated under the 2024 Property Management Services Agreement exceed 0.1% but all are less than 5%, the property management services contemplated under the 2024 Property Management Services Agreement constitutes a continuing connected transaction of the Company and is subject to the reporting and announcement and annual review requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“2024 Property Management Services Agreement”	the property management services agreement dated 28 March 2024 entered into between Science City Co. and Shum Yip Property Operation in relation to the provision of property management services at the Property by Shum Yip Property Operation to Science City Co.
“Board”	the board of Directors
“Company”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00604)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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”	the People's Republic of China, for the purpose of this announcement, excludes Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC

“Property”	the property (comprising office, laboratories, apartments and commercial areas) situated at Northwest side of the intersection of Yongchuang Road and Qiangxia 1st Road, Guangming District, Shenzhen, the PRC, with a construction site area of approximately 46,700 sq.m. and a total construction area of approximately 231,200 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“Science City Co.”	Shenzhen Guangming Science City Development and Construction Co., Ltd.* (深圳市光明科學城發展建設有限公司), a limited liability company established in the PRC, and a subsidiary of Shum Yip Group
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Shum Yip Holdings”	Shum Yip Holdings Company Limited (深業(集團)有限公司), a company incorporated in Hong Kong and a 90% non-wholly owned subsidiary of Shum Yip Group and the direct holding company of the Company
“Shum Yip Property Operation”	Shum Yip Property Operation Group Co., Ltd.* (深業物業運營集團股份有限公司), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company
“Shum Yip Group”	Shum Yip Group Limited* (深業集團有限公司), a company established in the PRC which is ultimately wholly-owned by the Shenzhen Municipal People’s Government and under the administration of the Shenzhen State-owned Assets Supervision and Administration Commission (Shenzhen SASAC), and the ultimate holding company of the Company
“sq.m.”	square meter(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
SHENZHEN INVESTMENT LIMITED
LU Hua
Chairman

Hong Kong, 28 March 2024

As at the date of this announcement, the Board comprises 8 directors, of which Dr. LU Hua, Mr. WANG Yuwen, Ms. CAI Xun, Mr. XU Enli and Ms. SHI Xiaomei are the executive directors of the Company, and Mr. LI Wai Keung, Dr. WONG Yau Kar, David and Prof. GONG Peng are the independent non-executive directors of the Company.

* For identification purpose only