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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)**

**UPDATE ON MAJOR TRANSACTION IN RELATION TO  
CAPITAL CONTRIBUTION TO  
HENGDA REAL ESTATE GROUP COMPANY LIMITED  
FIFTH SUPPLEMENTAL INVESTMENT AGREEMENT**

**FIFTH SUPPLEMENTAL INVESTMENT AGREEMENT**

On 22 November 2020, the Subsidiary, Kailong Real Estate, Hengda Real Estate and Mr. Hui entered into the Fifth Supplemental Investment Agreement pursuant to which the Subsidiary has exercised its exit rights under the Investment Agreement, and as the Proposed Reorganisation has been terminated before the Original Listing Deadline, the parties thereto have further agreed to make a few clarification and supplemental changes to the terms of the Investment Agreement.

Save for the amendments provided in the Fifth Supplemental Investment Agreement, all other terms and conditions of the Investment Agreement remain unchanged.

**BACKGROUND**

Reference is made to the announcements of the Company dated 31 May 2017, 29 June 2017, 6 November 2017 and 13 January 2020 and the Circular in relation to the contribution of an amount of RMB5.5 billion to the capital of Hengda Real Estate made by the Subsidiary. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

Under the terms of the Investment Agreement, the Subsidiary has been granted certain exit rights which may be exercised by it in the event that the Proposed Reorganisation is not completed by 31 January 2021 (the “**Original Listing Deadline**”).

The Proposed Reorganisation has been terminated.

## **FIFTH SUPPLEMENTAL INVESTMENT AGREEMENT**

The Board announces that on 22 November 2020, the Subsidiary entered into the Fifth Supplemental Investment Agreement with Kailong Real Estate, Hengda Real Estate and Mr. Hui.

In view of the termination of the Proposed Reorganisation prior to the Original Listing Deadline, the parties thereto have agreed that the Subsidiary would continue to hold the equity interest of Hengda Real Estate and make a few clarification and supplemental changes to the terms of the Investment Agreement. Save for the amendments provided in the Fifth Supplemental Investment Agreement, all other terms and conditions of the Investment Agreement remain unchanged.

The principal terms of the Fifth Supplemental Investment Agreement are summarised as follows:

### **Continuation of holding equity interest**

The Subsidiary will continue to hold the equity interest of Hengda Real Estate. According to the Fifth Supplemental Investment Agreement, the Subsidiary will hold 2.6439% equity interest of Hengda Real Estate. The 2020 dividends of equity interest in Hengda Real Estate held by the Subsidiary shall be governed by the Fourth Supplemental Investment Agreement.

The Subsidiary shall be entitled to enjoy and/or exercise the same shareholders' right as the other shareholders of Hengda Real Estate in respect of the shareholdings held by it.

### **Share Buy-back**

Pursuant to the Fifth Supplemental Investment Agreement, Kailong Real Estate (or its designated third party) may propose to the Subsidiary to buy back the equity interest in Hengda Real Estate held by the Subsidiary at RMB5.5 billion ("**Share Buy-back**") before 31 December 2023. Kailong Real Estate shall send to the Subsidiary a written application to propose the Share Buy-back and the Subsidiary shall, within 4 months from the date of such written application, submit the application for the Share Buy-back to the Company for review and approval in accordance with relevant regulatory requirements including those applicable to state-owned assets and listed companies. And, in the case the application is being approved, the Subsidiary and Kailong Real Estate will proceed to process the Share Buy-back in accordance with the prescribed procedures.

## **REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE FIFTH SUPPLEMENTAL INVESTMENT AGREEMENT**

Having considered the current net asset value of Hengda Real Estate, its past performance and historical dividend distributions record, the Directors consider that continuation of holding equity interest of Hengda Real Estate by the Subsidiary according to the Investment Agreement will enhance the value of the Company's investment in Hengda Real Estate and the equity interest of Hengda Real Estate held by the Subsidiary will continue to provide the Company with good investment return. And, the Share Buy-back, which is subject to, among others, the approval of the Company upon receipt of such proposal, provides the Company with a possible exit for the equity interest of Hengda Real Estate held should the Company deems appropriate in future.

The Directors consider that the terms of the Fifth Supplemental Investment Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **DEFINITIONS**

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

“Circular”	the circular of the Company dated 24 November 2017 in relation to the contribution of an amount of RMB5.5 billion to the capital of Hengda Real Estate made by the Subsidiary pursuant to the Investment Agreement
“Fifth Supplemental Investment Agreement”	the supplemental agreement dated 22 November 2020 entered into amongst the Subsidiary, Kailong Real Estate, Hengda Real Estate and Mr. Hui in relation to the amendments to the terms of the Investment Agreement
“Fourth Supplemental Investment Agreement”	the supplemental agreement dated 13 January 2020 entered into amongst the Subsidiary, Kailong Real Estate, Hengda Real Estate and Mr. Hui, details of which are set out in the January 2020 Announcement
“Investment Agreement”	the Principal Investment Agreement, as amended and supplemented by the First Supplemental Investment Agreement and further amended and supplemented by the Second Supplemental Investment Agreement, the Third Supplemental Investment Agreement and the Fourth Supplemental Investment Agreement

“January 2020 Announcement”	the announcement of the Company in relation to the Fourth Supplemental Investment Agreement
“Original Listing Deadline”	as such term is defined in the section headed “ <i>Background</i> ” in this announcement
“Share Buy-back”	as such term is defined in the section headed “ <i>Fifth Supplemental Investment Agreement – Share Buy-back</i> ” in this announcement
“Subsidiary”	Shenzhen Shum Yip Shenheng Investment Co., Ltd* (深圳市深業深恒投資有限公司) (formerly known as 馬鞍山市茂文科技工業園有限公司)

By order of the Board of  
**Shenzhen Investment Limited**  
**LU Hua**  
*Chairman*

Hong Kong, 22 November 2020

*As at the date of this announcement, the Board comprises 8 directors, of which Dr. LU Hua, Mr. HUANG Wei, Ms. CAI Xun, Mr. DONG Fang and Mr. LIU Shichao are the executive directors of the Company and Mr. WU Wai Chung, Michael, Mr. LI Wai Keung and Dr. WONG Yau Kar, David are the independent non-executive directors of the Company.*

\* *The English translation is for identification purpose only*