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Shenzhen International Holdings Limited

深圳國際控股有限公司

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00152)**

## **THE RESULT OF DISPOSAL OF EQUITY INTEREST IN SHENZHEN INTERNATIONAL UNITED LAND CO., LTD. THROUGH PUBLIC TENDER**

Reference is made to the announcement of the Company dated 21 October 2021 (the “**Announcement**”) in relation to the proposed disposal of 35.7% equity interest in United Land Company by way of equity transfer through public tender at the SUPX. Unless otherwise stated, terms used in this announcement shall have the same meanings as those used in the Announcement.

The Board is pleased to announce that the public tender for the disposal of 35.7% equity interest in United Land Company (the “**Disposal**”) has ended, and SUPX has on 14 December 2021 notified the Company that the successful bidder is Shenzhen Vanke Development Company Limited\* (深圳市萬科發展有限公司) (“**Vanke Development**”), a wholly-owned subsidiary of China Vanke and its principal business is property development. The final bid price is RMB2,788 million (approximately HK\$3,400 million) (the “**Final Consideration**”), which is the same as the Base Price of Transfer. Accordingly, on 21 December 2021, XTC Company entered into the Asset Transaction Agreement with Vanke Development, pursuant to which XTC Company agreed to sell its 35.7% equity interest in United Land Company at the Final Consideration.

### **FINANCIAL IMPACT OF THE DISPOSAL**

Based on current preliminary estimates, the Group expects to record a gain on disposal of approximately RMB2,900 million (approximately HK\$3,536 million), but the actual gain to be recorded will be subject to audit by the Company’s auditor. The gain is calculated by reference to (i) the difference between the Final Consideration and the net asset value attributable to the Sale Shares being approximately RMB1,500 million (approximately HK\$1,829 million); and (ii) the revaluation gain of approximately RMB1,400 million (approximately HK\$1,707 million) in respect of the Company’s remaining indirect 34.3% shareholding in United Land Company held through Shenzhen Expressway Corporation Limited (“**SZ Expressway**”) (formerly known as Shenzhen Expressway Company Limited).

Upon completion of the Disposal, United Land Company will cease to be a subsidiary of the Company, but the Company continues to hold an indirect 34.3% shareholding in United Land Company through SZ Expressway immediately after completion.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Group believes that the Disposal will allow the Group to realize its earnings upfront, increasing working capital of the Group for investments in other new projects which in turn allows the Group to concentrate resources on developing logistics and port businesses. Improving the operational quality and efficiency of core assets is conducive to fulfilling the Group's 14th Five-year Strategic Development Plan. On the other hand, the Disposal will reduce the potential business risk exposure of the Group as a result of the ongoing control policies over China's real estate industry.

## **LISTING RULE IMPLICATIONS**

Using the Final Consideration as the basis for calculation, the relevant percentage ratios in respect of the Disposal are more than 5% but less than 25%. Accordingly, the Disposal remains a discloseable transaction of the Company as detailed in the Announcement pursuant to Rule 14.06 of the Listing Rules and is subject to reporting and announcement requirements.

As at the date of this announcement, United Land Company is an indirect subsidiary of the Company and is held as to 35.7%, 34.3% and 30% by XTC Company, SZ Expressway and China Vanke, respectively. As China Vanke is a substantial shareholder of a subsidiary of the Company, China Vanke is a connected person at the subsidiary level (meaning as ascribed thereto under the Listing Rules) of the Company. Vanke Development is a subsidiary of China Vanke and is therefore a connected person of the Company. Accordingly, the Disposal constitutes a connected transaction of the Company.

Pursuant to Rule 14A.101 of the Listing Rules, as (1) the Board has approved the Disposal and the transactions contemplated thereunder; and (2) the independent non-executive Directors have confirmed that the major terms and conditions of the Disposal and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole, the Disposal is subject to reporting and announcement requirements but exempt from the circular, independent financial advice and independent shareholders' approval requirements.

None of the Directors has any material interest in the Disposal or was required to abstain from voting at the board meetings of the Company in relation to the same.

By Order of the Board  
**Shenzhen International Holdings Limited**  
**Liu Wangxin**  
*Joint Company Secretary*

Hong Kong, 21 December 2021

*As at the date of this announcement, the Board consists of Messrs. Li Haitao, Liu Zhengyu, Wang Peihang and Dai Jingming as executive Directors, Messrs. Hu Wei and Zhou Zhiwei as non-executive Directors and Professor Cheng Tai Chiu, Edwin, Messrs. Pan Chaojin and Chan King Chung as independent non-executive Directors.*

*In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB 0.82. The exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK\$ was or may be exchanged at this rate or any other rates or at all.*

*\* For identification purpose only*