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*(Incorporated in Hong Kong with limited liability)*  
**(Stock Code: 00604)**

## **PROFIT WARNING**

This announcement is made by Shenzhen Investment Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review by the management of the unaudited consolidated management accounts of the Group for the year ended 31 December 2021 (“**FY2021**”) and the information currently available to the Board, the Group is expected to record a consolidated net loss attributable to equity Shareholders for FY2021 as compared to the consolidated net profit attributable to equity Shareholders of approximately HK\$3,723 million for the year ended 31 December 2020. Such change in the Group’s results for FY2021 was mainly attributable to the significant decrease in the fair value of the Group’s equity interest in 恒大地產集團有限公司 (Hengda Real Estate Group Company Limited\*) (“**Hengda Real Estate**”) as at 31 December 2021.

According to the requirements under the Hong Kong Financial Reporting Standard, the equity interest held by the Group in Hengda Real Estate is accounted for as financial assets through profit or loss in the Company’s financial statements at fair value, with changes in fair value recognized in profit or loss for the relevant periods. The unaudited fair value of the Group’s equity interest in Hengda Real Estate as at 31 December 2021 as preliminary determined by the independent, professionally qualified valuation firm engaged by the Company (“**Independent Valuer**”) using the same valuation approach adopted in the Independent Valuer’s previous valuation of the fair value of the Group’s equity interest in Hengda Real Estate was approximately HK\$557 million, which represents a decrease in fair value of approximately HK\$6 billion as compared to the fair value of such equity interest as at 31 December 2020. Such decrease in fair value is mainly due to the considerable drop in the share price of China Evergrande Group (which is the market comparable used in the aforementioned valuation of the fair value of Hengda Real Estate) subsequent to 31 December 2020. Such amount of losses on fair value change in the Group’s said equity interest in Hengda Real Estate would be recorded in the Company’s financial statements for FY2021 and thereby adversely affect the profit and loss of the Group for FY2021. Since

unrealised fair value change is a non-cash item, it will not affect the cash flow of the Group. The aforementioned preliminary fair value of the Group's equity interest in Hengda Real Estate is unaudited and is subject to change after audit.

The information contained in this announcement is only based on a preliminary review by the management of the unaudited consolidated management accounts of the Group for FY2021 and the information currently available to the Board, which have not been audited by the independent auditor or reviewed by the audit committee of the Company. Further details of the Group's results for FY2021 will be disclosed in the final results announcement of the Company which is expected to be issued on or around 30 March 2022.

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 14 January 2022

*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 Ms. SHI Xiaomei 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.*

*\* for identification purpose only*