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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF THE LAND IN SHENZHEN, THE PRC
AND
FORMATION OF JOINT VENTURE**

The Board is pleased to announce that on 29 April 2022, Shum Yip Land (a wholly-owned subsidiary of the Company) and Longhua Talents Housing (a non-wholly owned subsidiary of Shenzhen Talents Housing Group), won the bid of the land use rights of the Land in Shenzhen, the PRC offered for sale by Shenzhen Municipal Commission of Planning and Natural Resources Bureau through a listing-for-sale process for RMB3,780 million.

Shum Yip Land (or its wholly-owned subsidiary) and Longhua Talents Housing will establish a Project Company to be held by Shum Yip Land (or its wholly-owned subsidiary) and Longhua Talents Housing as to 51% and 49% respectively for the acquisition and development of the Land.

As one of the applicable percentage ratios in respect of the capital commitment to be contributed by the Group exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Since Longhua Talents Housing is a non-wholly owned subsidiary of Shenzhen Talents Housing Group and Yantian Talents Housing (a non-wholly owned subsidiary of Shenzhen Talents Housing Group) is holding 49% equity interest in Yunwan Real Estate (a subsidiary of the Company), Longhua Talents Housing is an associate of a substantial shareholder of a subsidiary of the Company and thus a connected person of the Company at the subsidiary level. Accordingly, the Transaction constitutes a connected transaction of the Company. As Longhua Talents Housing is a connected person of the Company at the subsidiary level and the Board has approved the Joint Venture and Land Acquisition, and the Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture and the Land Acquisition are on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole, the Transaction is hence subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE LAND ACQUISITION

The Board is pleased to announce that on 29 April 2022, Shum Yip Land (a wholly-owned subsidiary of the Company) and Longhua Talents Housing (a non-wholly owned subsidiary of Shenzhen Talents Housing Group), won the bid of the land use right of the Land in Shenzhen, the PRC offered for sale by Shenzhen Municipal Planning and Natural Resources Bureau through a listing-for-sale process for RMB3,780 million.

The Transaction Confirmation has been entered into between Shenzhen Public Resources Trading Center and the JV Partners on 29 April 2022. The Project Company will enter into the Land Use Rights Grant Contract in accordance with the procedures stipulated under the listing-for-sale of the Land, which is expected to be before end May 2022.

Consideration and Payment Terms

The consideration for the Land is RMB3,780 million, which was determined by the successful bidding through a listing-for-sale process conducted in accordance with the relevant PRC laws and regulations. The consideration represents the bid price submitted by the JV Partners through the bidding, which was determined after taking in account the starting price and ceiling price of the bidding, current market conditions and the location of the Land and land price in the surrounding area.

RMB1,643 million has been paid as a bidding deposit by the JV Partners in proportion to their respective interests in the Project Company. Such bidding deposit will be used to satisfy part of the consideration for the Land Acquisition. The remaining balance of the consideration (and taxes payable thereon) for the Land Acquisition is required to be paid on or before 10 May 2022.

The Land

The Land is situated at Minzhi Street, Longhua District, Shenzhen (深圳市龍華區民治街道) with a site area of 26,114.02 sq.m.. It is designated for residential use for a term of grant of 70 years, with a total capacity building area of 135,790 sq.m.. 38,150 sq.m. of the capacity building area will be developed into guaranteed affordable rental housing, of which 25,450 sq.m. will be transferred to the government at nil consideration and 12,700 sq.m. to be retained by the Project Company for leasing. Apart from the above, the properties developed on the Land are for sale.

THE JOINT VENTURE

Formation of the Project Company

Pursuant to the Cooperation Framework Agreement, the JV Partners will establish a project company to be held by Shum Yip Land (or its wholly-owned subsidiary) and Longhua Talents Housing as to 51% and 49% respectively for the purpose of the acquisition and development of the Land. The financial results of the Project Company will be consolidated into Shum Yip Land's consolidated financial statements.

Capital Commitment

The JV Partners will provide funding for the settlement of the consideration (including taxes payable) for the Land Acquisition and registered capital of the Project Company, which is approximately RMB3,905 million, in proportion to their respective shareholdings in the Project Company. Accordingly, the capital commitment of Shum Yip Land is RMB1,992 million, which will be financed by the Group's internal resources.

The Project Company shall procure funds for its working capital by way of external financing. Further financing needs of the Project Company (to the extent not otherwise funded by external borrowings), if any, shall be contributed by way of shareholders' loan by the JV Partners in proportion to their shareholdings in the Project Company.

Composition of the board of directors

The board of directors of the Project Company will comprise of 5 directors, of which 3 directors shall be appointed by Shum Yip Land and 2 directors shall be appointed by Longhua Talents Housing. The Project Company's business policy, investment and financing plan, annual financial budget and profit distribution plan shall be approved by more than half of the directors.

Distribution of profits

On the premise of ensuring the normal operations of the Project Company, net profits of the Project Company may be distributed to the JV Partners in proportion to their respective shareholdings in the Project Company in accordance with the relevant PRC laws and regulations.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group, which principally engages in property development, property investment and property management business, is optimistic about the long-term development prospects of the real estate market in Shenzhen. The Land is located in a prime location in Shenzhen, the PRC. The Directors consider that the acquisition and development of the Land is in line with the development strategy of the Group and will further enhance the profitability and promote the long-term sustainable development of the Group. Shenzhen Talents Housing Group is a state-owned company specializing in public housing investment, construction and operation management. The JV Partners will benefit from the cooperation by pooling together their experiences and resources, which will reduce the investment and operation risks for each of the JV Partners and create a greater return for each of them.

In view of the above, the Board has approved the Joint Venture and the Land Acquisition and the Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture and the Land Acquisition are on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole.

None of the Directors has a material interest in the Transaction. Accordingly, none of the Directors was required to abstain from voting on the Board resolutions approving the Transaction.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the capital commitment to be contributed by the Group exceeds 5% but less than 25%, the Transaction constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under the Listing Rules.

Since Longhua Talents Housing is a non-wholly owned subsidiary of Shenzhen Talents Housing Group and Yantian Talents Housing (a non-wholly owned subsidiary of Shenzhen Talents Housing Group) is holding 49% equity interest in Yunwan Real Estate (a subsidiary of the Company), Longhua Talents Housing is an associate of a substantial shareholder of a subsidiary of the Company and thus a connected person of the Company at the subsidiary level. Accordingly, the Transaction constitutes a connected transaction of the Company. As Longhua Talents Housing is a connected person of the Company at the subsidiary level and the Board has approved the Joint Venture and Land Acquisition, and the Directors (including the independent non-executive Directors) are of the view that the terms of the Joint Venture and the Land Acquisition are on normal commercial terms and fair and reasonable and in the interest of the Company and the Shareholders as a whole, the Transaction is hence subject to the reporting and announcement requirements but exempt from the circular, independent financial advice and shareholders' approval requirements under Chapter 14A of the Listing Rules.

INFORMATION ON THE PARTIES

Shum Yip Land is an indirect wholly-owned subsidiary of the Company established in the PRC. The Group is principally engaged in property development, property investment and property management business.

Longhua Talents Housing is a direct non-wholly owned subsidiary of Shenzhen Talents Housing Group established in the PRC. Shenzhen Talents Housing Group and its subsidiaries are principally engaged in public housing investment, construction and operation in the PRC.

DEFINITIONS

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

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| “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) |
| “Cooperation Framework Agreement” | the cooperation framework agreement dated 26 April 2022 entered into by the JV Partners setting out the key terms of the Land Acquisition and the formation of the Project Company |
| “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 |

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| “Joint Venture” | the joint venture arrangement under the Cooperation Framework Agreement |
| “JV Partners” | the Joint Venture partners, namely Shum Yip Land and Longhua Talents Housing |
| “Land” | a piece of land for residential development situated at Minzhi Street, Longhua District, Shenzhen (深圳市龍華區民治街道) with a site area of 26,114.02 sq.m., and total capacity building area of 135,790 sq.m. |
| “Land Acquisition” | the acquisition of the land use rights of the Land by the Joint Venture |
| “Land Use Rights Grant Contract” | a state-owned development land use rights grant contract (國有建設用地使用權出讓合同) in respect of the Land |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Longhua Talents Housing” | 深圳市龍華人才安居有限公司 (Longhua Talents Housing Co., Ltd.*), a company established in the PRC, a 60%-owned subsidiary of Shenzhen Talents Housing Group |
| “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 |
| “Project Company” | a company to be established under the laws of the PRC with limited liability by the JV Partners pursuant to the Cooperation Framework Agreement |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Shenzhen Municipal Planning and Natural Resources Bureau” | 深圳市規劃和自然資源局, a government body in the PRC responsible for, among other things, managing the land market in Shenzhen |
| “Shenzhen Public Resources Trading Center” | 深圳公共資源交易中心, a public body in the PRC responsible for, among other things, the transaction of land use rights in Shenzhen, and was appointed by Shenzhen Municipal Planning and Natural Resources Bureau to offer the Land for sale |
| “Shenzhen Talents Housing Group” | 深圳市人才安居集團有限公司 (Shenzhen Talents Housing Group Co., Ltd.*), 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) |

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| “Shum Yip Land” | 深業置地有限公司 (Shum Yip Land Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company |
| “sq.m.” | square metre(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Transaction Confirmation” | the confirmation dated 29 April 2022 entered into between Shenzhen Public Resources Exchange Center and the JV Partners confirming the successful bidding of the Land |
| “Transaction” | the Land Acquisition and formation of the Joint Venture pursuant to the Cooperation Framework Agreement |
| “Yantian Talents Housing” | 深圳市鹽田人才安居有限公司 (Yantian Talents Housing Co., Ltd.*), a company established in the PRC, a 65%-owned subsidiary of Shenzhen Talents Housing Group |
| “Yunwan Real Estate” | 深圳市雲灣置業有限公司 (Shenzhen Yunwan Real Estate Co., Ltd.*), a company established in the PRC with limited liability and a non-wholly owned subsidiary of the Company |
| “%” | per cent. |

By order of the Board
SHENZHEN INVESTMENT LIMITED
Lu Hua
Chairman

Hong Kong, 29 April 2022

As at the date of this announcement, the Board comprises 7 directors, of which Dr. LU Hua, Ms. CAI Xun and Ms. SHI Xiaomei are the executive directors of the Company, Mr. DONG Fang is the non-executive director 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