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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 TRANSACTIONS RENEWAL OF LOANS

THE 2022 RENEWAL AGREEMENTS

The Board announces that on 20 May 2022, the Subsidiary (an indirect non-wholly-owned subsidiary of the Company) and the Non-controlling Shareholder (a 50% equity holder of the Subsidiary) entered into the 2022 First Loan Renewal Agreement and the 2022 Second Loan Renewal Agreement, pursuant to which the Subsidiary agreed to renew the First Loan in the principal amount of RMB500 million and the Second Loan in the principal amount of RMB50 million respectively and extend the repayment date of the First Loan and the Second Loan to 12 March 2023 and 20 May 2023 respectively.

LISTING RULES IMPLICATIONS

All applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Renewal Agreements are less than 5%. However, when aggregated with the 2021 Fourth Loan Renewal Agreement, one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Renewal Agreements is more than 5% but less than 25%. Accordingly, the 2022 Renewal Agreements constituted discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

As the Non-controlling Shareholder is a substantial shareholder of the Subsidiary (which has ceased to be an insignificant subsidiary of the Company), it is a connected person of the Company at the subsidiary level. Accordingly, the 2022 Renewal Agreements also constituted connected transactions of the Company. Given (1) the Board has approved the 2022 Renewal Agreements; and (2) the Directors (including all the Independent Non-Executive Directors) confirmed that the terms of the 2022 Renewal Agreements are fair and reasonable, and that the 2022 Renewal Agreements are on normal commercial terms and in the interests of the Company and its shareholders as a whole, the 2022 Renewal Agreements are subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

INTRODUCTION

As disclosed in the 2021 Announcement, four loan agreements were entered into on various dates in 2020 between the Subsidiary (an indirect non-wholly-owned subsidiary of the Company) and the Non-controlling Shareholder (a 50% equity holder of the Subsidiary) in respect of the First Loan, the Second Loan, the Third Loan and the Fourth Loan advanced by the Subsidiary to the Non-controlling Shareholder. Subsequent to the 2021 Announcement and prior to the entering into of the 2022 Renewal Agreements, (i) the First Loan in the principal amount of RMB500 million, which was due to repay on 12 March 2022, remains outstanding; (ii) the Second Loan in the original principal amount of RMB300 million was, after repayment of RMB100 million, renewed for a term of one year to 20 May 2022 at the same interest rate (i.e. 3.5% per annum) pursuant to the 2021 Second Renewal Agreement, and a further RMB150 million has been repaid subsequently; (iii) the Third Loan had been fully-repaid; and (iv) the Fourth Loan in the original principal amount of RMB300 million was, after repayment of RMB140 million, renewed for a term of one year to 3 December 2022 at a revised interest rate of 3.5% per annum pursuant to the 2021 Fourth Loan Renewal Agreement.

THE 2022 RENEWAL AGREEMENTS

The Board announces that on 20 May 2022, the Subsidiary and the Non-controlling Shareholder entered into the 2022 First Loan Renewal Agreement and the 2022 Second Loan Renewal Agreement, pursuant to which the Subsidiary agreed to renew the First Loan in the principal amount of RMB500 million and the Second Loan in the principal amount of RMB50 million respectively and extend the repayment date of the First Loan to 12 March 2023 and that of the Second Loan to 20 May 2023.

The principal terms of the 2022 Renewal Agreements are summarised below:

The 2022 First Loan Renewal Agreement

Date:	20 May 2022
Parties:	(1) the Subsidiary (as lender); and (2) the Non-controlling Shareholder (as borrower)
Principal amount of the loan:	RMB500 million
Extended Term:	From 13 March 2022 to 12 March 2023
Interest:	3.5% p.a. (on 360 days basis)
Interest payment:	In full in one lump sum at the end of the extended term, i.e. 12 March 2023
Repayment of the loan:	In full in one lump sum at the end of the extended term, i.e. 12 March 2023

The 2022 Second Loan Renewal Agreement

Date:	20 May 2022
Parties:	(1) the Subsidiary (as lender); and (2) the Non-controlling Shareholder (as borrower)
Principal amount of the loan:	RMB50 million
Extended Term:	From 21 May 2022 to 20 May 2023
Interest:	3.5% p.a. (on 360 days basis)
Interest payment:	In full in one lump sum at the end of the extended term, i.e. 20 May 2023
Repayment of the loan:	In full in one lump sum at the end of the extended term, i.e. 20 May 2023

REASONS FOR AND BENEFITS OF THE RENEWAL OF THE RENEWED LOANS

The Subsidiary is a project company principally engages in the development and construction of a residential project in Qianhai Shenzhen. The project is close to completion and the Subsidiary has generated surplus cash from it. As the Subsidiary has no substantial capital need, the Subsidiary had advanced loans to its shareholders in proportion to their respective equity interest in the Subsidiary in order to make more efficient use of the surplus cash and as a way of allowing its shareholders to recoup cash from the Subsidiary. Therefore, in addition to the advancement of the Previous Loans to the Non-controlling Shareholder, loans of the same amounts had also been advanced to the Group (as the other shareholder of the Subsidiary) on the same terms and at around the same time as the Previous Loans, and at around the same time as the Second Loan and the Fourth Loan were renewed, the corresponding parts of those loans advanced to the Group were also renewed for the same duration and on the same terms. By advancing such loans to its shareholders (including the Previous Loans) and renewing the relevant parts thereof, all of which were funded by spare internal resources of the Subsidiary, the Subsidiary was able to enhance the return on its capital.

The terms of the 2022 Renewal Agreements were negotiated on an arm's length basis between the Subsidiary and the Non-controlling Shareholder with reference to the then prevailing market rates and the level of consolidated costs on capital of the Group.

None of the Directors has a material interest in the 2022 Renewal Agreements. Accordingly, none of the Directors was required to abstain from voting on the Board resolutions approving the 2022 Renewal Agreements.

The Directors (including all the Independent Non-Executive Directors) confirmed that the terms of the 2022 Renewal Agreements are fair and reasonable, and that the 2022 Renewal Agreements are on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES TO THE RENEWAL AGREEMENTS

The Subsidiary is an indirect non-wholly-owned subsidiary of the Company, and is held as to 50% by the Group and 50% by the Non-controlling Shareholder. It is a project company principally engages in the development and construction of a residential project in Qianhai Shenzhen.

The Group is principally engaged in property development, property investment and property management business.

The Non-controlling Shareholder is principally engaged in investment management, equity investment, investment consultation and investment advisory. It is an indirect wholly-owned subsidiary of Shenzhen International Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 152).

LISTING RULES IMPLICATIONS

All applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Renewal Agreements are less than 5%. However, when aggregated with the 2021 Fourth Loan Renewal Agreement, one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the 2022 Renewal Agreements is more than 5% but less than 25%. Accordingly, the 2022 Renewal Agreements constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

As the Non-controlling Shareholder is a substantial shareholder of the Subsidiary (which has ceased to be an insignificant subsidiary of the Company), it is a connected person of the Company at the subsidiary level. Accordingly, the 2022 Renewal Agreements also constituted connected transactions of the Company. Given (1) the Board has approved the 2022 Renewal Agreements; and (2) the Directors (including all the Independent Non-Executive Directors) confirmed that the terms of the 2022 Renewal Agreements are fair and reasonable, and that the 2022 Renewal Agreements are on normal commercial terms and in the interests of the Company and its shareholders as a whole, the 2022 Renewal Agreements are subject to the announcement and reporting requirements under Chapter 14A of the Listing Rules but are exempt from the circular (including independent financial advice) and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of the 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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“First Loan”	the loan in the principal amount of RMB500 million advanced by the Subsidiary to the Non-controlling Shareholder under the First Loan Agreement
“First Loan Agreement”	the loan agreement dated 11 March 2020 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the advancement of the First Loan, as amended and supplemented
“Fourth Loan”	the loan (originally in the principal amount of RMB300 million which was reduced to RMB210 million on 27 August 2021 and RMB160 million on 26 January 2022) advanced by the Subsidiary to the Non-controlling Shareholder under the Fourth Loan Agreement
“Fourth Loan Agreement”	the loan agreement dated 4 December 2020 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the advancement of the Fourth Loan and, where the context so requires, as amended and supplemented
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Non-Executive Director(s)”	the independent non-executive Director(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-controlling Shareholder”	深國際前海投資管理(深圳)有限公司(Shenzhen International Qianhai Investment and Management (Shenzhen) Co., Ltd.*), a company incorporated in the PRC with limited liability, and a 50% equity holder of the Subsidiary

“Previous Loans”	the First Loan, the Second Loan (in the original principal amount of RMB300 million), the Third Loan and the Fourth Loan (in the original principal amount of RMB300 million)
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Second Loan”	the loan (originally in the principal amount of RMB300 million which was reduced to RMB270 million on 13 July 2021, RMB200 million on 29 July 2021 and RMB50 million on 20 May 2022) advanced by the Subsidiary to the Non-controlling Shareholder under the Second Loan Agreement
“Second Loan Agreement”	the loan agreement dated 20 May 2020 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the advancement of the Second Loan and, where the context so requires, as amended and supplemented
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	深國際前海置業（深圳）有限公司 (Shenzhen International Qianhai Real Estate (Shenzhen) Co., Ltd.*), a company incorporated in the PRC with limited liability, an indirect non-wholly-owned subsidiary of the Company which is held as to 50% by the Group and 50% by the Non-controlling Shareholder
“Third Loan”	the loan in the principal amount of RMB600 million advanced by the Subsidiary to the Non-controlling Shareholder under the Third Loan Agreement
“Third Loan Agreement”	the loan agreement dated 31 August 2020 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the advancement of the Third Loan
“2021 Announcement”	the announcement of the Company in relation to the Previous Loans dated 30 March 2021
“2021 Fourth Loan Renewal Agreement”	the renewal agreement dated 28 December 2021 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the renewal of the Fourth Loan
“2021 Second Loan Renewal Agreement”	the renewal agreement dated 30 July 2021 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the renewal of the Second Loan in the principal amount of RMB200 million

“2022 First Loan Renewal Agreement”	the renewal agreement dated 20 May 2022 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the renewal of the First Loan
“2022 Second Loan Renewal Agreement”	the renewal agreement dated 20 May 2022 entered into between the Subsidiary and the Non-controlling Shareholder in relation to the renewal of the Second Loan in the principal amount of RMB50 million
“2022 Renewal Agreements”	the 2022 First Loan Renewal Agreement and the 2022 Second Loan Renewal Agreement
“%”	per cent.

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

Hong Kong, 20 May 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*