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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)

**PROGRESS UPDATE
CONNECTED TRANSACTION
COMPLETION OF THE DEBT-TO-EQUITY SWAP
IN RESPECT OF PINGSHEN INTERNATIONAL**

Reference is made to the announcement of the Company dated 7 June 2024 (the “**Announcement**”) in relation to the Debt-to-Equity Swap in respect of Pingshen International, which constituted a connected transaction. Unless otherwise stated, capitalized terms in this announcement shall have the same meanings as those defined in the Announcement.

The Company is pleased to announce that the Debt-to-Equity Swap completed on 14 June 2024. As a result, the total registered capital of Pingshen International is owned by Bay Area Investment as to approximately 80.92%, and Pingshen International remains a non-wholly owned subsidiary of the Company.

The Company would also like to provide the following additional information with respect to the transaction. As disclosed in the Announcement, the conversion amount of the Debt-to-Equity Swap and the increase in equity interest percentage in Pingshen International by Bay Area Investment were determined taking into account the development plan, capital requirements and prospects of the SZ Pingshan Project, with reference to the independent valuation of the entire shareholders’ equity of Pingshen International as at 30 November 2023 (the “**Benchmark Date**”) using the asset-based approach (the “**Valuation**”), which was appraised by Shenzhen Pengxin Appraisal Limited, an independent professional valuer in the PRC with asset valuation qualifications (the “**Valuer**”), in accordance with the asset valuation standards issued by the PRC Ministry of Finance and the China Appraisal Society.

In preparing the Valuation, the Valuer relied upon the financial data in the balance sheet of Pingshen International and the special audit report issued by PRC certified public accountants as well as other reference materials and sources including information from on-site inspection and due diligence conducted by representatives of the Valuer.

The key assumptions and benchmarks upon which the Valuation was based have been set out in the Announcement. In addition, in respect of key inputs under the asset-based approach used for the Valuation, the appraised value of the entire shareholders’ equity of Pingshen

International as at the Benchmark Date is the sum of (i) the current assets of approximately RMB6.28 million and (ii) the appraised value of non-current assets of approximately RMB622.28 million, minus (iii) the total liabilities of approximately RMB104.47 million as at the Benchmark Date. The Valuer considered that market value adjustment to the current assets and total liabilities of Pingshen International was not necessary and took the book value in determining the Valuation, whereas the non-current assets of Pingshen International (mainly comprising construction in progress) were appraised with an appreciation.

As at the Benchmark Date, the appraised value of the entire shareholders' equity in Pingshen International was approximately RMB524.09 million whereas the book value was approximately RMB32.85 million, representing an appreciation amount of approximately RMB491.24 million. The appreciation was mainly attributable to the adjustment to the value of construction in progress of Pingshen International, which was appraised higher than the net book value by approximately RMB491.10 million, representing an appreciation by approximately 376%, because the appraised market value of the construction in progress has taken into account the increase in plot ratio of such land parcel from 1.2 to 3.92 as agreed by the PRC local authorities in 2023 and the higher mark-to-market valuation of SZ Pingshan Project on the assumption that it has been completed and operating in full capacity noting that the construction commenced in 2023 and is expected to complete in December 2024, whereas the book value was originally arrived at by reference to the historical acquisition cost of land use rights of the relevant land parcel to the Company back in 2001.

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

27 June 2024

As at the date of this announcement, the Board consists of Messrs. Li Haitao, Liu Zhengyu, Wang Peihang and Dr. Dai Jingming as executive Directors and Mr. Pan Chaojin, Dr. Zeng Zhi, Dr. Wang Guowen and Professor Ding Chunyan as independent non-executive Directors.