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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)**

## **FURTHER ANNOUNCEMENT**

### **THE RESULTS OF THE PUBLIC TENDER FOR THE DISPOSAL OF EQUITY INTEREST IN, AND SHAREHOLDER'S LOAN TO, A SUBSIDIARY**

#### **THE DISPOSAL**

The Board is pleased to announce that following the end of the formal tender period of the public tender for the disposal of the Sale Shares and the Sale Loan, on 19 December 2023, the SUPEE notified the Vendor that the successful bidder is the Successful Bidder and the final bid price is RMB1,808,889,700, which is the same as the minimum bidding price for the Proposed Disposal.

#### **LISTING RULES IMPLICATIONS**

Based on the Consideration, as one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all are less than 25%, the Disposal remains a discloseable transaction as detailed in the Announcement pursuant to the Listing Rules and is subject to reporting and announcement requirements.

Reference is made to the announcement of the Company dated 13 November 2023 in relation to the proposed disposal of the entire equity interest in the Target Company (i.e. the Sale Shares) and the shareholder's loan owing by the Target Company to the Vendor (i.e. the Sale Loan) through public tender at the SUPEE. Unless otherwise defined or the context otherwise requires, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

## **DISPOSAL**

### **Results of the Public Tender**

The Board is pleased to announce that the public tender for the Proposed Disposal has ended and on 19 December 2023, the SUPEE notified the Vendor that the successful bidder is the Successful Bidder and the final bid price is RMB1,808,889,700, which is the same as the minimum bidding price for the Proposed Disposal.

## **Principal terms of the Disposal**

The Vendor entered into the Asset Transfer Agreement with the Successful Bidder on 19 December 2023. Furthermore, in connection with the establishment of the Quasi-REITs Programme (further details thereof are set out in the section headed “Quasi-REITs Programme” below), on 24 November 2023, the Vendor, the Successful Bidder and the Target Company entered into the Fundamental Asset Transfer Agreement which has become effective on the date the Successful Bidder is notified by the SUPEE as the successful bidder (i.e. 19 December 2023).

### *Consideration*

Pursuant to the Asset Transfer Agreement and the Fundamental Asset Transfer Agreement, the Vendor has agreed to sell, and the Successful Bidder has agreed to acquire, the Sale Shares at RMB628,889,700 and the Sale Loan at RMB1,180,000,000. The Successful Bidder is required to settle the Consideration in one single payment. In particular, the deposit of RMB900,000,000 already paid to SUPEE by the Successful Bidder will be applied towards payment of part of the Consideration with the rest of the Consideration in the amount of RMB908,889,700 to be paid by the Successful Bidder by bank transfer to a special settlement account of the SUPEE within 1 working day after the Asset Transfer Agreement has been signed (i.e. on 20 December 2023). The SUPEE will transfer the Consideration to a bank account designated by the Vendor within 3 working days following SUPEE’s receipt of the written notice of transfer of consideration from the Successful Bidder and all service fees payable by the Vendor and the Successful Bidder.

As disclosed in the Announcement, the Consideration (which is the same as the minimum bidding price for the Proposed Disposal) was determined with reference to (i) the value of the Sale Shares as at 22 August 2023 in the amount of RMB628,889,700 as stated in the valuation report prepared by an independent professional valuer adopting the asset-based approach; and (ii) the principal amount of the Sale Loan.

### *Completion*

Completion Date is the date on which SUPEE issues the relevant transaction proof (which will be issued within 3 working days after the SUPEE has received the Consideration from the Successful Bidder and service fees in full from both the Vendor and the Successful Bidder). The Successful Bidder will become the sole shareholder of the Sale Shares and shall be entitled to all rights and benefits, and bears all the shareholder’s responsibilities as from the Completion Date, whereas the Vendor is entitled to and shall bear all shareholder’s rights, benefits and risks prior to the Completion Date. The Vendor, the Successful Bidder and the Target Company are required to cooperate with each other so that the transfer of the Sale Shares, the assignment of the Sale Loan and the change of registration of industrial and commercial will be completed within 30 working days after the transaction proof is issued.

It was also agreed that (a) the operating income and net operating income generated from the Properties as from the first calendar day of the month in which the Quasi-REITs Programme was established (i.e. 1 December 2023) shall vest in the Successful Bidder; and (b) the Vendor shall, and shall procure its associates to, settle all current accounts with the Target Company which are not of operating nature.

## **Directors' view**

The Directors consider that the terms of the Asset Transfer Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **INFORMATION ON THE SUCCESSFUL BIDDER**

The Successful Bidder is a joint stock company incorporated in the PRC with limited liability, whose H shares and A shares are listed on the Stock Exchange and the Shanghai Stock Exchange respectively. The Successful Bidder and its subsidiaries are principally engaged in investment banking, wealth management, asset management, financial markets and other related financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Successful Bidder and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

As disclosed in the Announcement, upon completion of the Disposal, the Target Company will cease to be a subsidiary of the Company and its financial results, assets and liabilities will no longer be included in the consolidated financial statements of the Group. Assuming that the Consideration reflects the fair value of the Properties as at the completion date of the Disposal, based on the Consideration and the unaudited book value of the Properties as at 30 June 2023 of approximately RMB1,657,000,000, the Group expects to record a gain before tax from the changes in the fair value of the Properties of approximately RMB152,000,000.

The actual gain or loss on the Disposal to be recorded by the Group will depend on the carrying value of the subject assets of the Disposal to be recorded on the Group's financial statements as at the completion date of the Disposal and the transaction costs including the tax effect for the Disposal.

It remains the Company's intention to use the proceeds from the Disposal for general working capital of the Group.

## **LISTING RULES IMPLICATIONS**

Based on the Consideration, as one or more of the applicable percentage ratios in respect of the Disposal is more than 5% but all are less than 25%, the Disposal remains a discloseable transaction as detailed in the Announcement pursuant to the Listing Rules and is subject to reporting and announcement requirements.

## QUASI-REITS PROGRAMME

As disclosed in the Announcement, the Company has been exploring ways to revitalize the Group's assets and improve asset utilization, including the feasibility of securitisation of the Properties and the establishment of a quasi-reits programme in the PRC.

Subsequent to the Announcement, the Quasi-REITs Programme was established by the Successful Bidder (acting as the manager of the Quasi-REITs Programme) on 13 December 2023 with a view to acquiring the Sale Shares and the Sale Loan as the fundamental assets of the Quasi-REITs Programme. Pursuant to the Quasi-REITs Programme, three classes of asset-backed securities were issued to institutional investors raising a total of RMB1,812,000,000, including (i) preferential asset-backed securities in the amount of RMB1,450,000,000; (ii) equity A asset-backed securities in the amount of RMB239,000,000; and (iii) the equity B asset-back securities in the amount of RMB123,000,000 subscribed by the Vendor pursuant to Subscription Agreement. The preferential asset-back securities carry an initial fixed coupon rate of 3.6% (subject to adjustment in accordance with the terms of issue of the asset-back securities). Both equity A and equity B asset-backed securities do not carry any coupon rate and holders thereof are entitled to be distributed (on a pro-rata basis) with surplus amount (if any) after the relevant interest payment or principal repayment (as the case may be) are distributed to holders of preferential asset-backed securities. The expected duration of the Quasi-REITs Programme is 15 years from the Programme Establishment Date and the Quasi-REITs Programme shall end no later than 17 years from the Programme Establishment Date.

Based on the subscription price of RMB123,000,000, all the applicable percentage ratios in respect of the Subscription Agreement are below 5%. Accordingly, the entering into of the Subscription Agreement does not constitute a notifiable transaction of the Company and is not subject to any reporting, announcement or shareholders' approval requirements under the Listing Rules.

On 24 November 2023, the Vendor, the Target Company and the Successful Bidder entered into an operation management services agreement (the "**Operation Management Services Agreement**"), pursuant to which the Vendor shall provide operation and management services in respect of the Properties in return for operation and management fees payable by the Target Company. During the term of the Operation Management Services Agreement (which commences from the SUPEE Notification Date and continues until the said agreement is terminated in accordance with its terms), if the distributable amount of the Quasi-REITs Programme (being the net operating income generated from the operation of the Properties after making reasonable adjustments in accordance with the Operation Management Services Agreement) for any specified period fails to reach the applicable agreed target amount for that period and the shortfall is 10% or more but not exceeding 30%, the Vendor is required to pay the Target Company an amount equal to such shortfall. If the distributable amount of the Quasi-REITs Programme exceeds the applicable agreed target amount, the Vendor will be entitled to receive 20% of such surplus as additional operation and management fees.

The Directors consider that the entering into of the Fundamental Asset Transfer Agreement, the Operation Management Services Agreement and the Subscription Agreement by the Vendor, and the participation in the Quasi-REITs Programme by the Vendor, are in line with the Group's business development and will generate a stable and sustainable income for the Group, therefore are in the interests of the Company and its shareholders as a whole.

## DEFINITIONS

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

“Announcement”	the announcement of the Company dated 13 November 2023 in relation to the Disposal through public tender at the SUPEE
“Asset Transfer Agreement”	the asset transfer agreement dated 19 December 2023 entered into by the Vendor and the Successful Bidder in respect of the Disposal pursuant to the terms of the public tender of the Disposal
“Completion Date”	the date of completion of the sale and purchase of the Sale Shares and the assignment of the Sale Loan
“Consideration”	the consideration for the Sale Shares and the Sale Loan, being RMB1,808,889,700
“Disposal”	the disposal of the Sale Shares and the Sale Loan by way of public tender
“Fundamental Asset Transfer Agreement”	the Quasi-REITs Programme fundamental asset transfer agreement dated 24 November 2023 entered into by the Vendor, the Successful Bidder and the Target Company
“Operation Management Services Agreement”	has the meaning ascribed to it in the section headed “Quasi-REITs Programme” in this announcement
“Programme Establishment Date”	the date on which the Quasi-REITs Programme was established, being 13 December 2023
“Quasi-REITs Programme”	“中信証券－深業－農科商業1號資產支持專項計劃(CITIC Securities – Shum Yip – Nongke Commercial No. 1 Asset-backed Special Programme)”
“Subscription Agreement”	the subscription agreement dated 12 December 2023 made between the Vendor and the Successful Bidder pursuant to which the Vendor subscribed for equity B asset-backed securities under the Quasi-REITs Programme, such agreement took effect on the SUPEE Notification Date

“Successful Bidder”	CITIC Securities Company Limited (as manager of the Quasi-REITs Programme)
“SUPEE Notification Date”	the date on which SUPEE notified the Vendor that the Successful Bidder is the successful bidder for the Sale Shares and the Sale Loan

By order of the Board  
**SHENZHEN INVESTMENT LIMITED**  
**LU Hua**  
*Chairman*

Hong Kong, 19 December 2023

*As at the date of this announcement, the Board comprises 8 directors, of which Dr. LU Hua, Mr. WANG Yuwen, Ms. CAI Xun, Mr. XU Enli and Ms. SHI Xiaomei are the executive directors of the Company, and Mr. LI Wai Keung, Dr. WONG Yau Kar, David and Prof. GONG Peng are the independent non-executive directors of the Company.*