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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY

THE AGREEMENT

On 7 March 2016, the Company entered into the Agreement with Shenzhen Nongke whereby the Company agreed to purchase and Shenzhen Nongke agreed to sell (through its wholly-owned subsidiary) the Property which is situated at the southeast of the junction of Hongli West Road and Nongfang Road, Futian District, Shenzhen, the PRC, at a cash consideration of RMB1,168 million (equivalent to approximately HK\$1,390 million) for use as the office premises of the Group in Shenzhen.

REASONS FOR THE ACQUISITION

The Group currently has a number of operating subsidiaries in Shenzhen and most of these subsidiaries are currently renting office premises in different locations in Shenzhen. The Acquisition allows the Group to centralize its resources in Shenzhen to the Property which provides the necessary office space for the Group at a prime location in Shenzhen at a relatively low cost. In addition to the benefit of potential appreciation of the Property, the Board believes that the Acquisition will reduce rental expenses, facilitate management, enhance administrative efficiency and corporate image of the Group as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 7 March 2016, the Company entered into the Agreement with Shenzhen Nongke whereby the Company agreed to purchase and Shenzhen Nongke agreed to sell (through its wholly-owned subsidiary) the Property at a cash consideration of RMB1,168 million (equivalent to approximately HK\$1,390 million).

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date : 7 March 2016

Parties

The Purchaser : The Company

The Vendor : Shenzhen Nongke

Shenzhen Nongke is a subsidiary of Shenzhen Investment Limited, which in turn is controlled by Shum Yip Holdings Company Limited. The Company has an associate company in which Shenzhen Investment Limited is the other equity holder. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, Shenzhen Nongke and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

Pursuant to the Agreement, Shenzhen Nongke shall sell (through Shumyip Zhongcheng) the Property to the Company (or any of its subsidiaries, as may be nominated by the Company to be the final purchaser in respect of each unit of the Property).

The Property

The Property is currently under construction and is being developed by Shumyip Zhongcheng. The development is currently expected to be completed by the end of 2016, after which the Group expects to complete the Acquisition on or before 28 March 2017 when the Property is delivered to the Group on a vacant possession basis free from any encumbrance and tenancy.

The Property is a 22-storey building comprising 88 units, of which two units are for commercial use and 86 units are for office use, and is situated at the southeast of the junction of Hongli West Road and Nongfang Road, Futian District, Shenzhen, the PRC. The Property has a total gross floor area of approximately 24,718 square metres.

Consideration

The Consideration of RMB1,168 million (equivalent to approximately HK\$1,390 million) was agreed after arm's length negotiation between the Company and Shenzhen Nongke with reference to (amongst other things) (a) the current market value of similar land plots close to the Property; (b) the prevailing market value and transaction record of comparable properties within the vicinity; and (c) the prevailing market conditions.

The Consideration will be paid by the Group in cash to Shumyip Zhongcheng (as directed by Shenzhen Nongke) and be financed by internal resources of the Group. Within five business days after signing of the Agreement, the Group will pay to Shumyip Zhongcheng RMB50 million (equivalent to approximately HK\$59.5 million) as deposit, which will form part of the Consideration (unless refunded in the event the Group elects to terminate the Agreement as a result of the change of construction plans in connection with the Property). The remaining balance of the Consideration shall be paid by the Group to Shumyip Zhongcheng in three installments:

- (i) RMB525.6 million (inclusive of the deposit of RMB50 million) to be paid by 31 March 2016;
- (ii) RMB525.6 million to be paid by 30 April 2016; and
- (iii) RMB116.8 million to be paid within five days after preliminary inspection of the Property to the satisfaction of the Group.

REASONS FOR THE ACQUISITION

The Group currently has a number of operating subsidiaries in Shenzhen and most of these subsidiaries are currently renting office premises in different locations in Shenzhen. The Acquisition allows the Group to centralize its resources in Shenzhen to the Property which provides the necessary space for the Group at a prime location in Shenzhen at a relatively low cost. In addition to the benefit of potential appreciation of the Property, the Board believes that the Acquisition will reduce rental expenses, facilitate management, enhance administrative efficiency and corporate image of the Group as a whole.

The Directors are of the view that the terms of the Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the investment, construction and operation of logistic infrastructure facilities, as well as providing various value-added logistic services to customers leveraging its infrastructure facilities and information services platform.

INFORMATION ON SHENZHEN NONGKE

Shenzhen Nongke is principally engaged in agricultural science research and real property development. Shenzhen Nongke is a subsidiary of Shenzhen Investment Limited, which in turn is controlled by Shum Yip Holdings Company Limited.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Acquisition are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

“Acquisition”	the acquisition of the Property by the Company from Shenzhen Nongke pursuant to the Agreement
“Agreement”	the sale and purchase agreement dated 7 March 2016 and entered into between Shenzhen Nongke and the Company in relation to the Acquisition
“Board”	the board of Directors

“Company”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed to this term under the Listing Rules
“Consideration”	RMB1,168 million (equivalent to approximately HK\$1,390 million) in respect of the Property payable by the Company pursuant to the Agreement
“Directors”	directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Property”	a 22-storey building comprising 88 units (of which two units are for commercial use and 86 units are for office use) located at the southeast of the junction of Hongli West Road and Nongfang Road, Futian District, Shenzhen, the PRC, and occupying a total gross floor area of approximately 24,718 square metres
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company
“Shareholders”	holders of the Shares
“Shumyip Zhongcheng”	深圳市深業中城有限公司 (Shenzhen Shumyip Zhongcheng Co., Ltd.), a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of Shenzhen Nongke
“Shenzhen Nongke”	深圳市農科集團有限公司 (Shenzhen Nongke Holdings Company Limited), a company incorporated in the PRC with limited liability and is a subsidiary of Shenzhen Investment Limited (Stock Code: 00604)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

The exchange rate adopted in this announcement is HK\$1.00 = RMB0.84 and is for illustration purpose only. Such conversion should not be construed as a representation that the currencies could actually be converted into HK\$ at that rate or at all.

By order of the Board
Shenzhen International Holdings Limited
Tam Mei Mei
Company Secretary

Hong Kong, 7 March 2016

As at the date of this announcement, the board of directors of the Company consists of Messrs. Gao Lei, Li Jing Qi, Zhong Shan Qun, Liu Jun and Li Lu Ning as executive directors, Dr. Yim Fung, JP as non-executive director and Messrs. Leung Ming Yuen, Simon, Ding Xun and Nip Yun Wing as independent non-executive directors.