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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  
THE CONSTRUCTION AGREEMENT IN RELATION TO  
PHASE THREE OF  
MEILIN CHECKPOINT URBAN RENEWAL PROJECT**

**THE CONSTRUCTION AGREEMENT**

The Company hereby announces that on 24 July 2018, United Land Company (a subsidiary of the Company) entered into the Construction Agreement with China Vanke and Pengcheng Construction in relation to the construction works of phase three of the Meilin Checkpoint Urban Renewal Project. Pursuant to the Construction Agreement, United Land Company appointed Pengcheng Construction as the main contractor to carry out the construction works of the Phase Three Project, at the Consideration of approximately RMB1,817,036,681.08 (equivalent to approximately HK\$2,112,833,350).

The Phase Three Project is located at Minzhi Street, Longhua District, Shenzhen, the PRC (中國深圳市龍華區民治街道), which will be mainly used for residential and commercial development with a total site area of approximately 47,400 square metres and a total gross floor area of approximately 382,600 square metres.

**REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT**

The Group considers that the entering into of the Construction Agreement is vital to progressing the Meilin Checkpoint Urban Renewal Project. It is expected that substantive construction works shall be carried out in full force in 2018 and the Group targets to commence sales by 2019. Pengcheng Construction has been engaged in construction industry in the PRC for many years and has comprehensive construction experience. The Company believes that the appointment of Pengcheng Construction as the main contractor can meet the needs of construction of the Phase Three Project.

**LISTING RULE IMPLICATIONS**

As one or more of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but all relevant percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

The Company hereby announces that on 24 July 2018, United Land Company (a subsidiary of the Company) entered into the Construction Agreement with China Vanke and Pengcheng Construction in relation to the construction works of the Phase Three Project. Pursuant to the Construction Agreement, United Land Company appointed Pengcheng Construction as the main contractor to carry out the construction works of the Phase Three Project at the Consideration of approximately RMB1,817,036,681.08 (equivalent to approximately HK\$2,112,833,350).

## **INTRODUCTION**

The Group acquired the land use rights of land parcels of the Meilin Checkpoint Urban Renewal Project through United Land Company in June 2015. The Meilin Checkpoint Urban Renewal Project is situated at a prime geographical location, adjacent to the Futian District in downtown Shenzhen. The total land area of the project is approximately 96,000 square metres, and has been re-designated as a comprehensive development project with a total gross floor area of approximately 486,000 square metres, comprising properties to be constructed for residential, commercial, office, business apartment and public and ancillary uses. Please refer to the announcement of the Company dated 10 September 2014, circular of the Company dated 22 October 2014 and joint announcement of the Company and Shenzhen Expressway dated 30 June 2015 for further details of the Meilin Checkpoint Urban Renewal Project.

In 2017, the Group introduced China Vanke as the entrusted construction management entity by way of public tender for providing entrusted construction management services in relation to the development of the Meilin Checkpoint Urban Renewal Project, and be responsible for coordinating and managing the development of the Meilin Checkpoint Urban Renewal Project. The Company believes that this will complement the Group's experience in developing comprehensive large real estate projects and thereby increasing the development value of the project.

The Meilin Checkpoint Urban Renewal Project will be developed in three phases. As at the date of this announcement, construction works for phase one and phase two have commenced, and public tendering for engagement of main contractor in relation to the construction of Phase Three Project have commenced in the end of April 2018.

## **PRINCIPAL TERMS OF THE CONSTRUCTION AGREEMENT**

### **Date**

24 July 2018

### **Parties**

- (1) United Land Company, a subsidiary of the Company;
- (2) China Vanke; and
- (3) Pengcheng Construction.

## **Subject matter**

Pengcheng Construction shall be responsible for the construction works of Phase Three Project of the Meilin Checkpoint Urban Renewal Project, and with such construction quality which passes the national, provincial, municipal and current relevant construction technical standards pursuant to the technical specifications prescribed by China Vanke under the Construction Agreement.

The Phase Three Project is located at Minzhi Street, Longhua District, Shenzhen, the PRC (中國深圳市龍華區民治街道), which will be mainly used for residential and commercial development with a total site area of approximately 47,400 square metres, a total gross floor area of approximately 382,600 square metres.

## **Construction period**

The construction period of Phase Three Project of the Meilin Checkpoint Urban Renewal Project will be 930 days. In case of delay of the construction period caused by default of Pengcheng Construction, a compensation fee of RMB50,000 per calendar day shall be paid by Pengcheng Construction.

## **Consideration and payment terms**

Pursuant to the Construction Agreement, United Land Company will pay Pengcheng Construction the Consideration in the aggregate amount of RMB1,817,036,681.08 (equivalent to approximately HK\$2,112,833,350), subject to adjustment (which is not expected to be material) based on project settlement audit.

During the construction period, in the event that the price of rebar and concrete to be used at the construction works of the Phase Three Project fluctuates over 5% from the unit price as submitted by Pengcheng Construction at its bid for reasons not caused by Pengcheng Construction, the Consideration shall (subject to confirmation by China Vanke) be adjusted in accordance with the terms and conditions of the Construction Agreement as part of the project settlement audit.

The Consideration was the bid price submitted by Pengcheng Construction and accepted by United Land Company through a public tendering process. The Construction Agreement was awarded by United Land Company to Pengcheng Construction after an objective evaluation of, among other things, the scope of work, bid price and experience in similar construction project of the bidders.

The Consideration will be financed by the Group's internal resources, bank facilities or a combination of both.

Subject to confirmation by China Vanke as part of its responsibility to coordinate and manage the development of the Meilin Checkpoint Urban Renewal Project, up to 95% of the Consideration (as adjusted by the project settlement audit) shall be settled by United Land Company in accordance with the agreed monthly construction progress payment schedule, whilst the balance 5% of the Consideration (as adjusted by the project settlement audit) will be paid after the expiry of the 2 year period following completion and acceptance of the construction work, being the defects liability period.

## **INFORMATION OF THE GROUP, CHINA VANKE AND PENGCHENG CONSTRUCTION**

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.

The shares of China Vanke are listed and traded on the Main Board of the Stock Exchange (Stock Code: 2202), and on the Shenzhen Stock Exchange. China Vanke and its subsidiaries are principally engaged in the businesses of development of residential properties, as well as other retail and industrial properties for urban auxiliary purposes.

Pengcheng Construction is principally engaged in construction contracting business and comprehensive construction business in relation to real estate development and investment.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of China Vanke and its substantial shareholders, and Pengcheng Construction and its ultimate beneficial owners is a third party independent of the Company and its connected persons.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION AGREEMENT**

The Group considers that the entering into of the Construction Agreement is vital to progressing the Meilin Checkpoint Urban Renewal Project. It is expected that substantive construction works shall be carried out in full force in 2018 and the Group targets to commence sales by 2019. Pengcheng Construction has been engaged in construction industry in the PRC for many years and has comprehensive construction experience. The Company believes that the appointment of Pengcheng Construction as the main contractor can meet the needs of construction of the Phase Three Project.

The Directors consider that the terms of the Construction Agreement are fair and reasonable and the Transaction is in the interests of the Company and its shareholders as a whole.

## **LISTING RULE IMPLICATIONS**

As one or more of the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Transaction exceeds 5% but all relevant percentage ratios are less than 25%, the Transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under the Listing Rules.

## **DEFINITIONS**

“China Vanke”

China Vanke Co., Ltd. (萬科企業股份有限公司), a joint stock company established under the laws of the PRC with limited liability, the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shenzhen Stock Exchange

“Company”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Consideration”	RMB1,817,036,681.08 (equivalent to approximately HK\$2,112,833,350), subject to adjustment (which is not expected to be material) based on project settlement audit (as the case may be)
“Construction Agreement”	a construction agreement dated 24 July 2018 entered into between United Land Company, China Vanke and Pengcheng Construction in relation to the construction works to be carried out at the Phase Three Project
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollar, 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
“Meilin Checkpoint Urban Renewal Project”	the construction project of the Group, which is comprehensive development under the urban renewal policy and located in Minzhi Street, Longhua District, Shenzhen, the PRC (中國深圳市龍華區民治街道), with a total land area of approximately 96,000 square metres
“Phase Three Project”	Phase three of the Meilin Checkpoint Urban Renewal Project, which is situated at the land parcel no. 01-01 located at Minzhi Street, Longhua District, Shenzhen, the PRC (中國深圳市龍華區民治街道), with a total land area of approximately 47,400 square metres
“Pengcheng Construction”	Shenzhen Pengcheng Construction Group Co., Ltd. (深圳市鵬城建築集團有限公司), a company established under the laws of the PRC with limited liability
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Expressway”	Shenzhen Expressway Company Limited (an approximately 52% owned subsidiary of the Company), a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Stock Exchange and the A shares of which are listed on the Shanghai Stock Exchange

“Stock Exchange ”	The Stock Exchange of Hong Kong Limited
“Transaction”	the transactions contemplated under the Construction Agreement
“United Land Company”	Shenzhen International United Land Co., Ltd.(深圳市深國際聯合置地有限公司), a limited liability company incorporated in the PRC and a subsidiary of the Company, indirectly held as to 51% by the Company and 49% by Shenzhen Expressway

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

Hong Kong, 24 July 2018

*As at the date of this announcement, the board of directors of the Company consists of Messrs. Gao Lei, Li Hai Tao, Zhong Shan Qun, Liu Jun and Hu Wei as executive directors, Messrs. Xie Chu Dao and Liu Xiao Dong as non-executive directors and Messrs. Leung Ming Yuen, Simon, Ding Xun, Nip Yun Wing and Dr. Yim Fung, JP as independent non-executive directors.*

*In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB0.86. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts in RMB or HK\$ were or may have been exchanged at this or any other rates or at all.*

*In this announcement, certain English names are translation of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*