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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)

(Debt Securities Stock Code: 05042)

INSIDE INFORMATION

POSSIBLE ACQUISITION OF SHARES OF SUNING.COM CO., LTD

This announcement is made by Shenzhen International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to announce that on 28 February 2021, Shenzhen International Holdings (SZ) Limited (“**Shenzhen International (SZ)**”), an indirect wholly-owned subsidiary of the Company, and Shenzhen Kunpeng Equity Investment Management Co., Ltd* (深圳市鯤鵬股權投資管理有限公司) (“**Kunpeng Equity**”), as purchasers (the “**Purchasers**”), and Mr. Zhang Jindong, Suning Holdings Group Co., Ltd* (蘇寧控股集團有限公司), Suning Appliance Group Co., Ltd (蘇寧電器集團有限公司), Xizang Trust Co., Ltd* (西藏信託有限公司), as vendors (the “**Vendors**”), entered into a framework agreement (the “**Framework Agreement**”) in relation to the possible acquisition of 8% and 15% of the issued shares of Suning.com Co., Ltd (Shenzhen Stock Exchange stock code: 002024) (the “**Target**”) (collectively, the “**Sale Shares**”) by Shenzhen International (SZ) and Kunpeng Equity, respectively (the “**Possible Acquisition**”).

MAJOR TERMS OF THE FRAMEWORK AGREEMENT

Pursuant to the Framework Agreement, Shenzhen International (SZ) and Kunpeng Equity propose to acquire 744,803,173 and 1,396,505,948 shares of the Target respectively, representing 8% and 15% of the issued shares of the Target as at the date of this announcement, at a price of RMB6.92 per share (being 90% of the average trading price of the shares of the Target for the 60 trading days prior to the date of the Framework Agreement). Should the Target conduct any corporate action such as declaration of cash dividends, bonus issue, capitalization issue, or allotment and issue of new shares after the Framework Agreement but before completion of the Possible Acquisition, such that the Sale Shares will be transferred without the relevant entitlement, the price shall be adjusted according to the mechanism specified in the Framework Agreement.

The Possible Acquisition is subject to execution of definitive agreement(s), and if the parties fail to enter into definitive agreement(s) within six months after the date of the Framework Agreement, the Possible Acquisition will automatically lapse. During the three months commencing on the date of the Framework Agreement, save where prior written consent of the Purchasers has been obtained, the Vendors shall not enter into negotiations or discussions with any other party in connection with the Sale Shares. The Possible Acquisition is also subject to customary conditions such as completion of due diligence review on the Target and the Purchasers having obtained the necessary internal and external approvals in respect of the Possible Acquisition.

INFORMATION ON THE GROUP, KUNPENG EQUITY AND THE TARGET

The Group is principally engaged in logistics and toll road business. The Group defines Shenzhen, the Greater Bay Area, the Yangtze River Delta and the Pan-Bohai Rim as strategic regions and endeavours to invest in, construct and operate logistic infrastructure projects including integrated logistics hubs and toll roads and provide value-added logistics services to customers based on these infrastructures through expansion, mergers and acquisitions, restructuring and consolidation while expanding into various business segments such as comprehensive development of lands related to the logistics industry.

Kunpeng Equity is a strategic fund management platform with equity investment management as its core business. Kunpeng Equity is committed to consolidating high-quality resources through master funds and sub-funds to promote the optimisation and synergistic development of the industrial layout of Shenzhen City. The State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipality directly and indirectly holds 100% of Kunpeng Equity.

The Target is one of the largest retailers in China and its operations include offline physical stores, the online e-commerce platform *Yun Wang Wan Dian* (雲網萬店) and retail franchise stores. The Target endeavours to provide overall logistics solutions to the distribution and retail industry in China. The Target's logistics warehouses and distribution network span across China. In 2020, *Suning.com* ranked No. 324 in Fortune Global 500.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

The Group has established a comprehensive integrated logistics operational model of "logistics infrastructure development + logistics services + industrial funds". If the Possible Acquisition materializes, the Group and the Target would be able to derive more synergy from collaborating in areas such as logistics operations (including development of integrated logistics hub(s) and logistics service business), project development and capital operation, etc., thereby strengthening the existing cooperative relationship between the Target and the logistics infrastructure developed by the Group. As and when appropriate, the Group could take over high-quality logistics resources of the Target and accelerate the realization of the national layout of integrated hub projects, which would in turn further increase the market share and competitiveness. The Target's integrated online and offline retail business will effectively promote the expansion of the Group's logistics service business and realisation of value-added income. The cooperation between the two parties can help the Group obtain more scarce logistics land resources and promote the Group's "invest – construct – finance – manage" rolling development of integrated logistics hub(s), which would in turn improve the return on its heavy assets. The Possible Acquisition (should it materialize) would enable the Group to develop its "product flow + logistics" model, promote the Group's transition from a "logistics infrastructure provider" to an "integrated logistics service provider", which in turn is expected to further boost industrial development, return on capital and return to shareholders of the Company.

The Group believes that completion of the Possible Acquisition alongside with Kunpeng Equity (should it materialize) would optimize the equity structure of the Target, promote standardized corporate governance, improve the management system and incentive mechanism, and maintain the stability of the core management team, thereby allowing the Target to focus on its retail business with a view to achieving high-quality development in its overall business.

The Group also intends to, as an industry investor, collaborate with Kunpeng Equity and other relevant parties to drive the Target in business development, corporate retail, supply chain, financial services, technology, intelligent logistics, duty free and cross-border e-commerce, etc, thereby empowering the Target in various aspects to support its business development in Shenzhen, the Greater Bay Area and Southern China markets. Completion of the Possible Acquisition (should it materialize) is expected to strengthen the modern distribution industrial layout in Shenzhen City and the Greater Bay Area and boost consumption vitality and economic growth, with a view to achieving a win-win situation.

In the event that the Possible Acquisition materializes, it may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules, but there is no assurance when the parties will enter into definitive agreement(s) or at all. The Company will make further announcement(s) and comply with the applicable requirements under the Listing Rules as and when appropriate.

Shareholders and potential investors of the Company are reminded that the Possible Acquisition may or may not proceed and they are advised to exercise caution when dealing in shares of the Company.

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

Hong Kong, 28 February 2021

As at the date of this announcement, the board of directors of the Company consists of Messrs. Li Haitao, Wang Peihang and Dai Jingming as executive directors, Messrs. Hu Wei and Zhou Zhiwei as non-executive directors and Professor Cheng Tai Chiu, Edwin, Messrs. Pan Chaojin and Chan King Chung as independent non-executive directors.

**for identification only*