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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 ACQUISITIONS OF ENTIRE ISSUED SHARE CAPITAL IN THE TARGET COMPANIES

THE SALE AND PURCHASE AGREEMENTS

The Board is pleased to announce that on 29 June 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreements pursuant to which the Purchaser conditionally agreed to purchase and accept the assignment of, and the Vendors conditionally agreed to sell the entire issued share capital of the Target Companies (which indirectly held the respective Logistics Parks) and assign to the Purchaser the Shareholders' Loans. In addition, pursuant to the terms of the Sale and Purchase Agreements, the Purchaser shall repay the Offshore Loans and Onshore Loans together with relevant interests upon Completion. The aggregate payment to be made by the Purchaser under the Sale and Purchase Agreements is approximately RMB1,600 million (subject to post completion audit adjustment).

REASONS FOR AND BENEFIT OF ENTERING INTO THE SALE AND PURCHASE AGREEMENTS

The acquisition of high-standard logistics warehouse projects in the three core cities of Shanghai, Tianjin and Chongqing is in line with the Group's "14th Five-year Plan" development strategy. Through the acquisition, the Group can directly increase its nationwide logistics management area, accelerating the strategy of "multiple logistics parks within one city" and enlarging the asset portfolio, and enhance its market position. On the other hand, the acquisition will also enlarge the Group's total reserve of mature logistics assets, laying the foundation for potential future assets securitization, which will promote the close-loop "invest, construct, finance and manage" integrated logistics hub business model, improve the overall capital efficiency and profitability, and facilitate the Group's transformation as a "logistics infrastructure asset management platform".

LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Sale and Purchase Agreements on aggregate basis exceeds 5% but is less than 25%, the Sale and Purchase Agreements constitute a discloseable transaction for the Company under the Listing Rules and are subject to the reporting and announcement requirements.

INTRODUCTION

The Board is pleased to announce that on 29 June 2021, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendors entered into the Sale and Purchase Agreements pursuant to which the Purchaser conditionally agreed to purchase and accept the assignment of, and the Vendors conditionally agreed to sell the entire issued share capital of the Target Companies (which indirectly held the respective Logistics Parks) and assign to the Purchaser the Shareholders' Loans. In addition, pursuant to the terms of the Sale and Purchase Agreements, the Purchaser shall repay the Offshore Loans and Onshore Loans together with relevant interests upon Completion. The aggregate payment to be made by the Purchaser under the Sale and Purchase Agreements is approximately RMB1,600 million (subject to post completion audit adjustments). The payment under the Sale and Purchase Agreements will be funded by the Group in cash. The Sale and Purchase Agreements are inter-conditional upon each other.

THE SALE AND PURCHASE AGREEMENT A

The salient terms of the Sale and Purchase Agreement A are set out as follows:

Date: 29 June 2021

Parties: (a) Vendor A; and
(b) the Purchaser

Subject matter

Pursuant to the Sale and Purchase Agreement A, the Purchaser conditionally agreed to purchase and accept the assignment of, and Vendor A conditionally agreed to sell the entire issued share capital of Target Company A and assign to the Purchaser the Shareholder's Loan A. In addition, pursuant to the terms of the Sale and Purchase Agreement A, the Purchaser shall repay the Offshore Loan A and the Onshore Loan A together with relevant interests.

Consideration and payment terms

The total payment to be made by the Purchaser under the Sale and Purchase Agreement A is as follows: -

Target Company A Shares Consideration:	Approximately RMB348.8 million
Shareholder's Loan A Consideration:	Approximately RMB36.8 million
Offshore Loan A:	Outstanding principal amount of approximately US\$14.9 million (equivalent to RMB96.0 million) together with interest (which is expected to be approximately US\$0.01 million (equivalent to approximately RMB 0.06 million)
Onshore Loan A:	Outstanding principal amount of approximately RMB99.7 million together with interest (which is expected to approximately RMB0.3 million)
Total payment:	Approximately RMB 581.7 million (subject to post completion audit adjustment in paragraph (d) below)

The total payment to be made by the Purchaser under the Sale and Purchase Agreement A was agreed after arm's length negotiation between Vendor A and the Purchaser with reference to the appraised value of the net asset value of Target Group A in the valuation conducted by an independent valuer in the amount of approximately RMB345.4 million based on asset-based approach, the prevailing market conditions, the financial position and business development of Target Group A.

Within ten business days after the date of the Sale and Purchase Agreement A, Vendor A and the Purchaser shall have in place the Offshore Escrow Account and the Onshore Escrow Account. The payment schedule under the Sale and Purchase Agreement A is as follows:

- (a) (i) within ten business days after the Offshore Escrow Account is opened, the Purchaser shall deposit approximately RMB112.4 million into it; and (ii) within ten business days after Vendor A and the Purchaser confirm that all conditions precedent to the Sale and Purchase Agreement A have been satisfied or waived, the Purchaser shall deposit into the Offshore Escrow Account approximately RMB273.3 million and the Offshore Loan A principal and interest repayment, and deposit into the Onshore Escrow Account the Onshore Loan A principal and interest repayment;
- (b) upon Completion, (i) the Offshore Loan A principal and interest repayment in the Offshore Escrow Account shall be released to the Offshore Loan Banks; (ii) approximately RMB234.6 million (being 70% of the Total Consideration A minus Reserved Tax Payment A and Final Payment A) in the Offshore Escrow Account shall be released to Vendor A; and (iii) the Onshore Loan A principal and interest repayment in the Onshore Escrow Account shall be released to the Onshore Loan Banks;

- (c) within ten business days after completion of the registration regarding release of the charge on Project Company A Equity Interest and Logistics Park A, approximately RMB100.5 million (being 30% of the Total Consideration A minus Reserved Tax Payment A and Final Payment A) shall be released to Vendor A;
- (d) if the net asset value as shown in the Completion Accounts A is different to the Target Company A Shares Consideration and the difference is more than RMB500,000, Vendor A or the Purchaser (as the case may be) shall pay such difference to the other party within ten business days from the date of receipt of Completion Accounts A (which shall be ready within 30 business days from Completion);
- (e) after the Purchaser receives evidence that the Order 7 Tax has been duly paid by Vendor A, the Reserved Tax Payment A (being approximately RMB22.5 million) shall be released to Vendor A within ten business days; and
- (f) within ten business days after six months from Completion, if during the six months from Completion, (i) the representations and warranties by Vendor A in the Sale and Purchase Agreement A remain true and accurate; (ii) Vendor A has not solicited tenants of Logistics Park A to early terminate their tenancies in Logistics Park A; and (iii) save for previously disclosed to the Purchaser, there is no taxation claims from relevant governmental authorities to Project Company A or Vendor A having fully indemnified the Purchaser in relation thereto, the Final Payment A (being approximately RMB28.1 million) shall be released to Vendor A.

Conditions precedent

A summary of the conditions precedent to Completion is set out as follows:

- (a) completion of due diligence on Target Group A to the satisfaction of the Purchaser;
- (b) relevant third party consents (including those relating to the Offshore Loan A and Onshore Loan A) having been obtained;
- (c) there is no event having occurred which has a material adverse effect on Logistics Park A and Target Group A and there has not developed any laws prohibiting the transactions under the Sale and Purchase Agreement A;
- (d) the warranties of Vendor A under the Sale and Purchase Agreement A being true, accurate, complete and not misleading in all material aspects;
- (e) all conditions precedent under the Sale and Purchase Agreement B and the Sale and Purchase Agreement C having been fulfilled or waived; and
- (f) the previous leasing and management agreements in relation to Logistics Park A having been terminated upon Completion or having been amended to the effect that the term of such agreement will expire within three months from Completion (as the case may be).

THE SALE AND PURCHASE AGREEMENT B

The salient terms of the Sale and Purchase Agreement B are set out as follows:

- Date: 29 June 2021
- Parties: (a) Vendor B; and
(b) the Purchaser

Subject matter

Pursuant to the Sale and Purchase Agreement B, the Purchaser conditionally agreed to purchase and accept the assignment of, and Vendor B conditionally agreed to sell the entire issued share capital of Target Company B and assign to the Purchaser the Shareholder’s Loan B. In addition, pursuant to the terms of the Sale and Purchase Agreement B, the Purchaser shall repay the Offshore Loan B and the Onshore Loan B together with relevant interests.

Consideration and payment terms

The total payment to be made by the Purchaser under the Sale and Purchase Agreement B is as follows:-

- Target Company B Shares Approximately RMB165.1 million
Consideration:
- Shareholder’s Loan B Approximately RMB82.0 million
Consideration:
- Offshore Loan B Outstanding principal amount of approximately US\$30.1 million (equivalent to approximately RMB194.2 million) together with interest (which is expected to be approximately US\$0.02 million (equivalent to approximately RMB0.14 million))
- Onshore Loan B: Outstanding principal amount of approximately RMB3.5 million together with interest (which is expected to be approximately RMB0.01 million)
- Total payment: Approximately RMB444.9 million (subject to post completion audit adjustment in paragraph (d) below)

The total payment to be made by the Purchaser under the Sale and Purchase Agreement B was agreed after arm’s length negotiation between Vendor B and the Purchaser with reference to the appraised value of the net asset value of Target Group B in the valuation conducted by an independent valuer in the amount of approximately RMB164.8 million based on asset-based approach, the prevailing market conditions, the financial position and business development of Target Group B.

Subject to the opening of the escrow accounts referred to above, the payment schedule under the Sale and Purchase Agreement B is as follows:

- (a) (i) within ten business days after the Offshore Escrow Account is opened, the Purchaser shall deposit approximately RMB89.8 million into it; and (ii) within ten business days after Vendor B and the Purchaser confirm that all conditions precedent to the Sale and Purchase Agreement B have been satisfied or waived, the Purchaser shall deposit into the Offshore Escrow Account approximately RMB157.3 million and the Offshore Loan B principal and interest repayment, and deposit into the Onshore Escrow Account the Onshore Loan B principal and interest repayment;
- (b) upon Completion, (i) the Offshore Loan B principal and interest repayment in the Offshore Escrow Account shall be released to the Offshore Loan Banks; (ii) approximately RMB144.7 million (being 70% of the Total Consideration B minus Reserved Tax Payment B and Final Payment B) in the Offshore Escrow Account shall be released to Vendor B; and (iii) the Onshore Loan B principal and interest repayment in the Onshore Escrow Account shall be released to the Onshore Loan Banks;
- (c) within ten business days after completion of the registration regarding release of the charge on Project Company B Equity Interest and Logistics Park B, approximately RMB 62.0 million (being 30% of the Total Consideration B minus Reserved Tax Payment B and Final Payment B) shall be released to Vendor B;
- (d) if the net asset value as shown in the Completion Accounts B is different to the Target Company B Shares Consideration and the difference is more than RMB500,000, Vendor B or the Purchaser (as the case may be) shall pay such difference to the other party within ten business days from the date of receipt of Completion Accounts B (which shall be ready within 30 business days from Completion);
- (e) after the Purchaser receives evidence that the Order 7 Tax has been duly paid by Vendor B, the Reserved Tax Payment B (being approximately RMB18.0 million) shall be released to Vendor B within ten business days; and
- (f) within ten business days after six months from Completion, if during the six months from Completion, (i) the representations and warranties by Vendor B in the Sale and Purchase Agreement B remain true and accurate; (ii) Vendor B has not solicited tenants of Logistics Park B to early terminate their tenancies in Logistics Park B; (iii) there is no claim by local governmental authorities relating to investment or transfer of land use rights for Project Company B or Logistics Park B (or if there is such claim, Vendor B having fully indemnified the Purchaser); and (iv) save for previously disclosed to the Purchaser, there is no taxation claims from relevant governmental authorities to Project Company B or Vendor B having fully indemnified the Purchaser in relation thereto, the Final Payment B (being approximately RMB22.5 million) shall be released to Vendor B.

Conditions precedent

A summary of the conditions precedent to Completion is set out as follows:

- (a) completion of due diligence on Target Group B to the satisfaction of the Purchaser;
- (b) relevant third party consents (including those relating to the Offshore Loan B and Onshore Loan B) having been obtained;
- (c) there is no event having occurred which has a material adverse effect on Logistics Park B and Target Group B and there has not developed any laws prohibiting the transactions under the Sale and Purchase Agreement B;
- (d) the warranties of Vendor B under the Sale and Purchase Agreement B being true, accurate, complete and not misleading in all material aspects;
- (e) all conditions precedent under the Sale and Purchase Agreement A and the Sale and Purchase Agreement C having been fulfilled or waived; and
- (f) the previous leasing and management agreements in relation to Logistics Park B having been terminated upon Completion or having been amended to the effect that the term of such agreement will expire within three months from Completion (as the case may be).

THE SALE AND PURCHASE AGREEMENT C

The salient terms of the Sale and Purchase Agreement C are set out as follows:

Date: 29 June 2021

Parties: (a) Vendor C; and
(b) the Purchaser

Subject matter

Pursuant to the Sale and Purchase Agreement C, the Purchaser conditionally agreed to purchase and accept the assignment of, and Vendor C conditionally agreed to sell the entire issued share capital of Target Company C and assign to the Purchaser the Shareholder's Loan C. In addition, pursuant to the terms of the Sale and Purchase Agreement C, the Purchaser shall repay the Offshore Loan C and the Onshore Loan C together with relevant interests.

Consideration and payment terms

The total payment to be made by the Purchaser under the Sale and Purchase Agreement C is as follows:-

Target Company C Shares Consideration:	Approximately RMB161.2 million
Shareholder's Loan C Consideration:	Approximately RMB155.2 million
Offshore Loan C:	Outstanding principal amount of approximately US\$12.2 million (equivalent to approximately RMB 78.8 million) together with interest (which is expected to be approximately US\$0.01 million (equivalent to approximately RMB0.06 million))
Onshore Loan C:	Outstanding principal amount of approximately RMB178.0 million together with interest (which is expected to be approximately RMB0.5 million)
Total payment:	Approximately RMB573.8 million (subject to post completion audit adjustment in paragraph (d) below)

The total payment to be made by the Purchaser under the Sale and Purchase Agreement C was agreed after arm's length negotiation between Vendor C and the Purchaser with reference to the appraised value of the net asset value of Target Group C in the valuation conducted by an independent valuer in the amount of approximately RMB164.4 million based on asset-based approach, the prevailing market conditions, the financial position and business development of Target Group C.

Subject to the opening of the escrow accounts referred to above, the payment schedule under the Sale and Purchase Agreement C is as follows:

- (a) (i) within ten business days after the Offshore Escrow Account is opened, the Purchaser shall deposit approximately RMB111.8 million into it; and (ii) within ten business days after Vendor C and the Purchaser confirm that all conditions precedent to the Sale and Purchase Agreement C have been satisfied or waived, the Purchaser shall deposit into the Offshore Escrow Account approximately RMB204.6 million and the Offshore Loan C principal and interest repayment, and deposit into the Onshore Escrow Account the Onshore Loan C principal and interest repayment;
- (b) upon Completion, (i) the Offshore Loan C principal and interest repayment in the Offshore Escrow Account shall be released to the Offshore Loan Banks; (ii) approximately RMB186.2 million (being 70% of the Total Consideration C minus Reserved Tax Payment C and Final Payment C) in the Offshore Escrow Account shall be released to Vendor C; and (iii) the Onshore Loan C principal and interest repayment in the Onshore Escrow Account shall be released to the Onshore Loan Banks;

- (c) within ten business days after completion of the registration regarding release of the charge on Project Company C Equity Interest and Logistics Park C, approximately RMB79.8 million (being 30% of the Total Consideration C minus Reserved Tax Payment C and Final Payment C) shall be released to Vendor C;
- (d) if the net asset value as shown in the Completion Accounts C is different to the Target Company C Shares Consideration and the difference is more than RMB500,000, Vendor C or the Purchaser (as the case may be) shall pay such difference to the other party within ten business days from the date of receipt of Completion Accounts C (which shall be ready within 30 business days from Completion);
- (e) after the Purchaser receives evidence that the Order 7 Tax has been duly paid by Vendor C, the Reserved Tax Payment C (being approximately RMB22.4 million) shall be released to Vendor C within ten business days; and
- (f) within ten business days after six months from Completion, if during the six months from Completion, (i) the representations and warranties by Vendor C in the Sale and Purchase Agreement C remain true and accurate; (ii) Vendor C has not solicited tenants of Logistics Park C to early terminate their tenancies in Logistics Park C; (iii) there is no claim by local governmental authorities relating to investment or transfer of land use rights for Project Company C or Logistics Park C (or if there is such claim, Vendor C having fully indemnified the Purchaser); and (iv) save for previously disclosed to the Purchaser, there is no taxation claims from relevant governmental authorities to Project Company C or Vendor C having fully indemnified the Purchaser in relation thereto, the Final Payment C (being approximately RMB 28.0 million) shall be released to Vendor C.

Conditions precedent

A summary of the conditions precedent to Completion is set out as follows:

- (a) completion of due diligence on Target Group C to the satisfaction of the Purchaser;
- (b) relevant third party consents (including those relating to the Offshore Loan C and Onshore Loan C) having been obtained;
- (c) there is no event having occurred which has a material adverse effect on Logistics Park C and Target Group C and there has not developed any laws prohibiting the transactions under the Sale and Purchase Agreement C;
- (d) the warranties of Vendor C under the Sale and Purchase Agreement C being true, accurate, complete and not misleading in all material aspects;
- (e) all conditions precedent under the Sale and Purchase Agreement A and the Sale and Purchase Agreement B having been fulfilled or waived; and
- (f) the previous leasing and management agreements in relation to Logistics Park C having been terminated upon Completion or having been amended to the effect that the term of such agreement will expire within three months from Completion (as the case may be).

COMPLETION OF THE SALE AND PURCHASE AGREEMENTS

Within five business days upon (i) the deposit of the escrow monies into the Offshore Escrow Account and the Onshore Escrow Account pursuant to the terms of the Sale and Purchase Agreements; and (ii) the Vendors and the Purchaser having confirmed the fulfillment (or, if applicable, the waiver) of all the conditions precedent as set out in the Sale and Purchase Agreements, the Vendors shall notify the Offshore Loan Banks and the Onshore Loan Banks of the proposed repayment schedule of the Offshore Loans and Onshore Loans. The Completion shall take place upon such repayment.

Upon Completion of the Sale and Purchase Agreements, the Target Groups will become indirect wholly-owned subsidiaries of the Company and their financial results will be consolidated into the Group's consolidated financial statements.

Each of the Vendors and the Purchaser shall use its best endeavor to fulfill (or jointly agree to waive) the conditions precedent in the Sale and Purchase Agreements on or before the Long Stop Date (unless further extended). If any condition(s) precedent is/are not fulfilled and the non-fulfilment is not due to the fault of either party, either party shall be entitled to terminate the Sale and Purchase Agreements and the monies in the Offshore Escrow Account and the Onshore Escrow Account shall be released to the Purchaser. If non-fulfillment of the conditions precedent is due to the fault of either party, the non-defaulting party shall be entitled to terminate the Sale and Purchase Agreements and claim damages from the defaulting party.

Charges in connection with the Offshore Loans and Onshore Loans

As at the date of this announcement, the entire issued share capital of the Target Companies, the Shareholders' Loans and the entire equity interest in the Project Companies are charged for the purpose of the Offshore Loans. The Logistics Parks are charged for the purpose of the Onshore Loans. All such charges shall be released upon Completion.

INFORMATION ON THE PURCHASER

The Group is principally engaged in logistics and toll road business. It defines Shenzhen, the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta and the Pan-Bohai Rim as strategic regions, endeavours to invest in, construct and operate logistic infrastructure projects including integrated logistics hubs and toll roads, and provides high-end and 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 as well as investment in and operation of environmental protection business.

The Purchaser, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company. Its principal business is investment holding.

INFORMATION ON THE VENDORS

Based on the information provided by the Vendors, the Vendors are incorporated under the laws of the BVI with limited liability and the principal activity of each of the Vendors is investment holding. The Vendors are indirect wholly owned subsidiaries of Gateway Real Estate Fund IV, L.P.. The principal business of Gateway Real Estate Fund IV, L.P. is long-term investment in real properties in the Asia Pacific region. The ultimate beneficial owners of the Vendors are a consortium of institutional investors led by Gateway IV GP Limited, the general partner of Gateway Real Estate Fund IV, L.P.. The management and control over the Gateway Real Estate Fund IV, L.P. have been fully delegated to Gateway IV GP Limited.

Gateway IV GP Limited is controlled by Gaw Capital Partners which is led and managed by Goodwin Gaw, Kenneth Gaw, Christina Gaw and Hing Bong Humbert Pang. Gaw Capital Partners is a uniquely positioned private equity fund management company focusing in real estate markets in greater China and other high barrier to entry markets globally. Since its inception in 2005, Gaw Capital Partners has raised six comprehensive real estate commingled funds targeting the Greater China and Asia Pacific regions. Gaw Capital Partners also manages value-add/opportunistic funds in Vietnam and the United States, an Asia Pacific hospitality fund, an European hospitality fund, a growth equity fund and also provides separate account direct investments services for numerous global institutional investors.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendors and their ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION ON THE TARGET GROUPS

Each of the Target Companies is a company incorporated in Hong Kong with limited liability which is principally engaged in investment holding. Each of the Project Companies is a company established in the PRC with limited liability which is principally engaged in warehousing and property management. As at the date of this announcement, each of Target Company A, Target Company B and Target Company C directly holds the entire equity interest in Project Company A, Project Company B and Project Company C, which in turn holds and operates each of Logistics Park A, Logistics Park B and Logistics Park C respectively.

Set forth below are summaries of the audited financial information of the respective Target Companies (prepared in accordance with the applicable Hong Kong Financial Reporting Standards) and Project Companies (prepared in accordance with the Accounting Standards for Business Enterprises and the Accounting System for Business Enterprises promulgated by the central government of the People's Republic of China) for the years ended 31 December 2019 and 2020 respectively:

Target Company A:	2019	2020
	US\$	US\$
<u>As at 31 December</u>		
- Total asset value	40,259,704	46,332,564
- Net asset value	21,404,027	26,401,004
<u>For the year ended 31 December</u>		
- Profit before taxation	2,012,646	4,996,977
- Profit after taxation	2,012,646	4,996,977
Project Company A:	RMB	RMB
<u>As at 31 December</u>		
- Total asset value	189,764,412	195,826,734
- Net asset value	78,160,295	86,176,824
<u>For the year ended 31 December</u>		
- (Loss)/Profit before taxation	(2,847,765)	8,016,529
- (Loss)/Profit after taxation	(2,847,765)	8,016,529
Target Company B:	US\$	US\$
<u>As at 31 December</u>		
- Total asset value	53,358,391	59,981,253
- Net asset value	14,041,587	18,483,917
<u>For the year ended 31 December</u>		
- (Loss)/Profit before taxation	(588,870)	4,538,013
- (Loss)/Profit after taxation	(640,375)	4,442,330
Project Company B:	RMB	RMB
<u>As at 31 December</u>		
- Total asset value	245,631,584	229,310,299
- Net asset value	78,544,607	79,171,268
<u>For the year ended 31 December</u>		
- (Loss)/Profit before taxation	(13,403,183)	626,660
- (Loss)/Profit after taxation	(13,403,183)	626,660
Target Company C:	US\$	US\$
<u>As at 31 December</u>		
- Total asset value	47,299,930	50,237,457
- Net asset value	14,381,204	16,231,378
<u>For the year ended 31 December</u>		
- (Loss)/Profit before taxation	(1,350,270)	1,850,174
- (Loss)/Profit after taxation	(1,350,270)	1,850,174
Project Company C:	RMB	RMB
<u>As at 31 December</u>		
- Total asset value	353,381,967	336,330,086
- Net asset value	180,627,923	162,984,079
<u>For the year ended 31 December</u>		
- Loss before taxation	(24,025,506)	(17,643,845)
- Loss after taxation	(24,025,506)	(17,643,845)

REASONS FOR AND BENEFIT OF ENTERING INTO THE SALE AND PURCHASE AGREEMENTS

Under the current “dual circulation” new development framework and the steady growth of the domestic economy, the consumption growth of core gateway cities will continue to drive the demand for high-standard warehouses. Especially under the continuing impact of the Pandemic, the e-commerce consumption would bring development opportunities for logistics storage and urban delivery. With the successful listing of the first batch of publicly offered infrastructure REITs in mainland China in early June 2021, the connection channel between the infrastructure industry and the capital market has been opened up, which is conducive to revitalizing existing infrastructure assets and forming a virtuous circle of investment and financing and promotes the steady development of the infrastructure industry.

The acquisition of high-standard logistics warehouse projects in the three core cities of Shanghai, Tianjin and Chongqing is in line with the Group’s “14th Five-year Plan” development strategy. Through the acquisition, the Group can directly increase its nationwide logistics management area, accelerating the strategy of “multiple logistics parks within one city” and enlarging the asset portfolio, and enhance its market position. On the other hand, the acquisition will also enlarge the Group’s total reserve of mature logistics assets, laying the foundation for potential future assets securitization, which will promote the close-loop “invest, construct, finance and manage” integrated logistics hub business model, improve the overall capital efficiency and profitability, and facilitate the Group’s transformation as a “logistics infrastructure asset management platform”.

The Board is of the view that the terms of each of the Sale and Purchase Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULE IMPLICATIONS

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Sale and Purchase Agreements on aggregate basis exceeds 5% but is less than 25%, the Sale and Purchase Agreements constitute a discloseable transaction for the Company under the Listing Rules and are subject to the reporting and announcement requirements.

DEFINITIONS

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

“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Completion”	the completion of the Sale and Purchase Agreements
“Completion Accounts A”	the audited consolidated completion accounts of Target Group A to be prepared by the auditor designated by the Purchaser
“Completion Accounts B”	the audited consolidated completion accounts of Target Group B to be prepared by the auditor designated by the Purchaser
“Completion Accounts C”	the audited consolidated completion accounts of Target Group C to be prepared by the auditor designated by the Purchaser
“Directors”	the directors of the Company
“Final Payment A”	the final payment under the Sale and Purchase Agreement A as set out in paragraph (f) in the section headed “The Sale and Purchase Agreement A – Consideration and payment terms”
“Final Payment B”	the final payment under the Sale and Purchase Agreement B as set out in paragraph (f) in the section headed “The Sale and Purchase Agreement B – Consideration and payment terms”
“Final Payment C”	the final payment under the Sale and Purchase Agreement C as set out in paragraph (f) in the section headed “The Sale and Purchase Agreement C – Consideration and payment terms”
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Logistics Park A”	a logistics park located at Minhang District, Shanghai, the PRC, with total gross floor area of approximately 52,000 m ²
“Logistics Park B”	a logistics park located at Xiqing District, Tianjin, the PRC, with total gross floor area of approximately 78,000 m ²
“Logistics Park C”	a logistics park located at Shapingba District, Chongqing, the PRC, with total gross floor area of approximately 120,000 m ²
“Logistics Parks”	collectively, Logistics Park A, Logistics Park B and Logistics Park C
“Long Stop Date”	30 September 2021
“Offshore Escrow Account”	the offshore escrow account to be set up jointly by Vendor A and the Purchaser with a licensed bank in Hong Kong
“Offshore Loan A”	the loan facility granted to Target Company A under the Offshore Loan Agreement
“Offshore Loan Agreement”	the offshore loan agreement dated 10 March 2020 between, among others, the Target Companies as the borrowers and the Offshore Loan Banks in relation to the Offshore Loans
“Offshore Loan B”	the loan facility granted to Target Company B under the Offshore Loan Agreement
“Offshore Loan Banks”	two licensed banks in Hong Kong
“Offshore Loan C”	the loan facility granted to Target Company C under the Offshore Loan Agreement
“Offshore Loans”	collectively, Offshore Loan A, Offshore Loan B and Offshore Loan C
“Onshore Escrow Account”	the onshore escrow account to be set up by the Purchaser with a licensed bank in the PRC

“Onshore Loan A”	the loan facility under the onshore loan agreement dated 10 March 2020 between, among others, Project Company A and the Onshore Loan Banks
“Onshore Loan B”	the loan facility under the onshore loan agreement dated 10 March 2020 between, among others, Project Company B and the Onshore Loan Banks
“Onshore Loan Banks”	two licensed banks in the PRC
“Onshore Loan C”	the loan facility under the onshore loan agreement dated 10 March 2020 between, among others, Project Company C and the Onshore Loan Banks
“Onshore Loans”	collectively, Onshore Loan A, Onshore Loan B and Onshore Loan C
“Order 7 Tax”	the tax payable by each of the Vendors in relation to the transactions under the Sale and Purchase Agreements pursuant to the Announcement No. 7 [2015] of the State Administration of Taxation - Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises* (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》(國家稅務總局公告2015年第7號)) as amended and supplemented from time to time including the Announcement No. 37 [2017] of the State Administration of Taxation - Announcement on Issues concerning the Withholding of Enterprise Income Tax at Source on Non-Resident Enterprises* (國家稅務總局公告2017年第37號《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) and any other related PRC laws or regulations
“PRC”	the People’s Republic of China
“Project Companies”	collectively, Project Company A, Project Company B and Project Company C
“Project Company A”	維培(上海)航空器材配套服務有限公司 (Weipei (Shanghai) Aviation Supplies Services Co., Ltd.*), a company established in the PRC with limited liability
“Project Company A Equity Interest”	the entire equity interest in the equity capital of Project Company A
“Project Company B”	維龍(天津)倉儲服務有限公司 (Weilong (Tianjin) Storage Services Co., Ltd.*), a company established in the PRC with limited liability

“Project Company B Equity Interest”	the entire equity interest in the equity capital of Project Company B
“Project Company C”	維志（重慶）倉儲服務有限公司(Weizhi (Chongqing) Storage Services Co., Ltd.*), a company established in the PRC with limited liability
“Project Company C Equity Interest”	the entire equity interest in the equity capital of Project Company C
“Purchaser”	Shenzhen International China Logistics Development Limited (深國際中國物流發展有限公司), a company incorporated under the laws of Hong Kong and an indirect wholly-owned subsidiary of the Company
“Reserved Tax Payment A”	the payment of Order 7 Tax under the Sale and Purchase Agreement A as set out in paragraph (e) in the section headed “The Sale and Purchase Agreement A – Consideration and payment terms”
“Reserved Tax Payment B”	the payment of Order 7 Tax under the Sale and Purchase Agreement B as set out in paragraph (e) in the section headed “The Sale and Purchase Agreement B – Consideration and payment terms”
“Reserved Tax Payment C”	the payment of Order 7 Tax under the Sale and Purchase Agreement C as set out in paragraph (e) in the section headed “The Sale and Purchase Agreement C – Consideration and payment terms”
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement A”	the sale and purchase agreement dated 29 June 2021 between Vendor A and the Purchaser in relation to the sale and purchase of Target Company A Shares
“Sale and Purchase Agreement B”	the sale and purchase agreement dated 29 June 2021 between Vendor B and the Purchaser in relation to the sale and purchase of Target Company B Shares
“Sale and Purchase Agreement C”	the sale and purchase agreement dated 29 June 2021 between Vendor C and the Purchaser in relation to the sale and purchase of Target Company C Shares
“Sale and Purchase Agreements”	collectively, the Sale and Purchase Agreement A, the Sale and Purchase Agreement B and the Sale and Purchase Agreement C
“Shareholder’s Loan A”	the shareholder’s loan from Vendor A to Target Company A in the amount of the Shareholder’s Loan A Consideration

“Shareholder’s Loan A Consideration”	the outstanding amount of the Shareholder’s Loan A as set out in the section headed “The Sale and Purchase Agreement A – Consideration and payment terms”
“Shareholder’s Loan B”	the shareholder’s loan from Vendor B to Target Company B in the amount of the Shareholder’s Loan B Consideration
“Shareholder’s Loan B Consideration”	the outstanding amount of the Shareholder’s Loan B as set out in the section headed “The Sale and Purchase Agreement B – Consideration and payment terms”
“Shareholder’s Loan C”	the shareholder’s loan from Vendor C to Target Company C in the amount of the Shareholder’s Loan C Consideration
“Shareholder’s Loan C Consideration”	the outstanding amount of the Shareholder’s Loan C as set out in the section headed “The Sale and Purchase Agreement C – Consideration and payment terms”
“Shareholders’ Loans”	collectively, Shareholder’s Loan A, Shareholder’s Loan B and Shareholder’s Loan C
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company A”	Vailog Hong Kong DC11 Limited, a company incorporated in Hong Kong with limited liability
“Target Company A Shares”	the entire issued share capital of Target Company A
“Target Company A Shares Consideration”	the consideration for the Target Company A Shares as set out in the section headed “The Sale and Purchase Agreement A – Consideration and payment terms”
“Target Company B”	Vailog HK SPV 3 Limited, a company incorporated in Hong Kong with limited liability
“Target Company B Shares”	the entire issued share capital of Target Company B
“Target Company B Shares Consideration”	the consideration for the Target Company B Shares as set out in the section headed “The Sale and Purchase Agreement B – Consideration and payment terms”
“Target Company C”	Glory Honor Limited, a company incorporated in Hong Kong with limited liability

“Target Company C Shares”	the entire issued share capital of Target Company C
“Target Company C Shares Consideration”	the consideration for the Target Company C Shares as set out in the section headed “The Sale and Purchase Agreement C – Consideration and payment terms”
“Target Companies”	collectively, Target Company A, Target Company B and Target Company C
“Target Group A”	Target Company A and Project Company A
“Target Group B”	Target Company B and Project Company B
“Target Group C”	Target Company C and Project Company C
“Target Groups”	collectively, Target Group A, Target Group B and Target Group C
“Total Consideration A”	the sum of Target Company A Shares Consideration and Shareholder’s Loan A Consideration
“Total Consideration B”	the sum of Target Company B Shares Consideration and Shareholder’s Loan B Consideration
“Total Consideration C”	the sum of Target Company C Shares Consideration and Shareholder’s Loan C Consideration
“US\$”	the lawful currency of the United States of America
“Vendor A”	Christo Investments Limited, a company incorporated in the BVI with limited liability
“Vendor B”	Gaw-Vailog Logistics (Holdings) Tianjin 1 Limited, a company incorporated in the BVI with limited liability
“Vendor C”	Winpine Limited, a company incorporated in the BVI with limited liability
“Vendors”	collectively, Vendor A, Vendor B and Vendor C

“m²” square meters

“%” per cent

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

Hong Kong, 29 June 2021

As at the date of this announcement, the Board 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 the purposes of illustration only, unless otherwise agreed or stated herein, any amount denominated in US\$ in this announcement were translated into RMB at the rate of US\$1 to RMB6.4562. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.

The English transliteration of the Chinese name(s) in this announcement, where indicated with “”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*