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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shenzhen International Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of Shenzhen International Holdings Limited to be held at Grand Ballroom East, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 16 May 2014 at 11:00 a.m. is set out on pages 21 to 24 of this circular.

Whether or not you are able to attend and vote at the annual general meeting, you are requested to complete the accompanying form of proxy and return it to the branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

11 April 2014

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DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by resolution of the Shareholders in general meeting;
“AGM”	the annual general meeting of the Company to be convened and held at Grand Ballroom East, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 16 May 2014 at 11:00 a.m. (or any adjournment thereof), a notice of which is set out on pages 21 to 24 of this circular
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Associated Company”	a company which is an associate of the Group under HKAS 28 “Investments in Associates”
“Board”	the board of Directors
“business day”	a day (excluding Saturday) upon which banks are open for business in Hong Kong
“Bye-Laws”	Bye-Laws of the Company
“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(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Share Option Scheme”	the Company’s share option scheme adopted by the Shareholders on 30 April 2004
“Extension to the Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to add to the Issue Mandate those Shares repurchased by the Company pursuant to the Repurchase Mandate provided that such additional amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing the relevant resolution at the AGM
“Grantee”	any Participant who accepts the Offer of the grant of any Option in accordance with the terms of the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee

DEFINITIONS

“Group”	the Company and its subsidiaries
“HKAS”	Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and otherwise deal with the new Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing the relevant resolution at the AGM
“Joint Ventures”	joint ventures (the meanings ascribed to it under HKFRS 11 “Joint Arrangements”) of the Group
“Latest Practicable Date”	8 April 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme of the Company which is proposed to be adopted by the Shareholders at the AGM
“Offer”	the offer of the grant of an Option made in accordance with the New Share Option Scheme
“Offer Date”	the date on which an Option is offered to a Participant
“Option”	an option to subscribe for Shares granted and accepted pursuant to the New Share Option Scheme and for the time being subsisting
“Option Period”	the period for the exercise of an Option to be notified by the Board to the Grantee in the Offer, but in any event such period shall not go beyond 5 years from the Offer Date
“Participant”	(a) any full-time employee of the Group; (b) any director (including executive, non-executive or independent non-executive directors) of the Group, Associated Companies and Joint Ventures; or (c) any substantial shareholder of the Company; to be determined absolutely by the Board

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the time of passing the relevant resolution at the AGM
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	the ordinary share(s) in the capital of the Company with a par value of HK\$1.00 each
“Shareholder(s)”	shareholder(s) of the Company
“SIHCL”	深圳市投資控股有限公司 (Shenzhen Investment Holdings Company Limited), a limited liability company established in the PRC and is wholly-owned by 深圳市人民政府國有資產監督管理委員會 (Shenzhen Municipal People’s Government State-owned Assets Supervision and Administration Commission)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



Shenzhen International Holdings Limited

深圳國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00152)

Executive Directors:

Gao Lei (Chairman)

Li Jing Qi (Chief Executive Officer)

Li Lu Ning

Liu Jun

Yang Hai

Non-executive Director:

Wong Yuk Shan

Independent Non-executive Directors:

Leung Ming Yuen, Simon

Ding Xun

Nip Yun Wing

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Head Office and Principal

Place of Business:

Rooms 2206–2208, 22nd Floor

Greenfield Tower, Concordia Plaza

No. 1 Science Museum Road

Tsimshatsui East

Kowloon

Hong Kong

11 April 2014

To the Shareholders

Dear Sirs or Madams,

**PROPOSALS FOR
RE-ELECTION OF RETIRING DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
ADOPTION OF THE NEW SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide information reasonably necessary to enable the Shareholders to make a decision on whether to vote for or against ordinary resolutions for the approval of, inter alia, the re-election of the retiring Directors, the Issue Mandate and the Repurchase Mandate and the adoption of the New Share Option Scheme to be proposed at the AGM.

LETTER FROM THE BOARD

RE-ELECTION OF RETIRING DIRECTORS

At the AGM, Mr. Li Jing Qi, Professor Wong Yuk Shan and Mr. Nip Yun Wing will retire by rotation and, being eligible, will offer themselves for re-election as Directors in accordance with Bye-Law 109(A) of the Bye-Laws.

Mr. Nip Yun Wing has served as an independent non-executive Director for more than nine years. He confirmed he still meets the independent factors set out in Rule 3.13 of the Listing Rules and is not involved in any business or other relationships that might interfere with the exercise of his independent judgment. Mr. Nip does not hold any position in the Group other than independent non-executive Director. During his tenure, Mr. Nip has expressed objective views and the Board is satisfied that he has provided valuable independent judgment and advices to the Company's matters. On the basis set out above, the Board considers that Mr. Nip continues to be independent and recommends him for re-election at the AGM.

Particulars of the aforesaid retiring Directors are set out in Appendix I to this circular.

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES

At the last annual general meeting of the Company held on 20 May 2013, the Directors were granted a general mandate to allot and issue Shares and a general mandate to repurchase Shares. These mandates will expire at the conclusion of the forthcoming AGM. The Directors propose to seek the approval of the Shareholders at the AGM to grant to the Directors the Issue Mandate to allot, issue and deal with additional Shares up to 20% of the aggregate nominal value of the Shares of the Company in issue as at the date of passing such resolution. Subject to the passing of the relevant resolution to approve the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the AGM, the Directors would be authorised to exercise the powers of the Company to issue a maximum of 331,656,139 Shares. The Directors also propose to seek the approval of the Shareholders at the AGM to grant to the Directors the Repurchase Mandate and the Extension to the Issue Mandate as described in the notice of the AGM set out on pages 21 to 24 of this circular. The above mandates will be valid until whichever is the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held; and (iii) the revocation or variation of the relevant resolution(s) by ordinary resolution(s) of the Shareholders in a general meeting.

An explanatory statement with all information reasonably necessary to enable the Shareholders to make an informed decision whether to vote for or against the resolution concerning the Repurchase Mandate as required by the Listing Rules is set out in Appendix II to this circular.

LETTER FROM THE BOARD

ADOPTION OF THE NEW SHARE OPTION SCHEME

The Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 30 April 2004 and will expire on 29 April 2014. As such, the Directors propose to recommend to the Shareholders at the AGM to approve and adopt the New Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

Pursuant to the Existing Share Option Scheme, the Board granted the options to participants to subscribe for a total of 100,681,000 Shares, representing approximately 6.07% of the issued share capital of the Company as at the Latest Practicable Date. As at the Latest Practicable Date, options representing 45,795,519 Shares are still outstanding. Of the aforesaid options, options in respect of 10,934,519 Shares are exercisable during the period from 28 September 2012 to 27 September 2015; options in respect of 1,981,000 Shares are exercisable during the period from 28 September 2014 to 27 September 2015; options in respect of 32,880,000 Shares are exercisable during the period from 29 January 2016 to 28 January 2019.

The New Share Option Scheme

The New Share Option Scheme is established to recognise, motivate and provide incentives to those who make contributions to the Group. The New Share Option Scheme will motivate the Participants to optimise their performance and efficiency, and attract and retain Participants whose contributions are important to the long-term growth and profitability of the Group.

When making an Offer to any Participant, the Board may in its absolute discretion prescribe the terms on which the Option(s) is to be granted (including (i) the exercise price of the Option (subject to Listing Rule requirements) and (ii) the minimum period for which an Option(s) must be held and/or a performance target which must be achieved before an Option can be exercised) either on a case by case basis or generally. The Directors are of the view that the New Share Option Scheme will provide the Board with flexibility in determining (amongst other things) the vesting scales, applicable performance targets and other conditions to which the specific grant of Options may be subject and thereby will place the Group in a better position to provide the appropriate incentives to Participants to contribute to the Group and to enable the Group to attract valuable human resources.

None of the Directors is or will be a trustee of the New Share Option Scheme or have a direct or indirect interest in any such trustee. With respect to the operation of New Share Option Scheme, the Company will, where applicable, comply with the relevant requirements under Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Conditions Precedent of the New Share Option Scheme

The adoption of the New Share Option Scheme is subject to the following conditions:

- (a) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares which fall to be allotted and issued pursuant to the exercise of options that may be granted under the New Share Option Scheme, up to 10% of the Shares in issue as at the date of the approval of the New Share Option Scheme by the Shareholders at the AGM; and
- (b) the Shareholders approving and adopting the New Share Option Scheme at the AGM.

Upon the fulfillment of all the above conditions precedent, the Directors will have the right to grant to selected Participants options to subscribe for Shares under the New Share Option Scheme which, when aggregated with any Shares which may be issued upon exercise of options to be granted under any other schemes, represent up to 10% of the Shares in issue as at the date of approval and adoption of the New Share Option Scheme unless the Company obtains a fresh approval from the Shareholders in general meeting to renew the 10% limit. In any event, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Company shall not exceed 30% of the Shares in issue from time to time.

An application will be made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the options which may be granted under the New Share Option Scheme.

As at the Latest Practicable Date, the Shares in issue is 1,658,280,695 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of approval and adoption of the New Share Option Scheme at the AGM, the total number of Shares that may be allotted and issued upon exercise of all options to be granted pursuant to the New Share Option Scheme and any other share option scheme(s) for the time being of the Company on the date of approval and adoption of the New Share Option Scheme will be 165,828,069 Shares.

Values of the Options under the New Share Option Scheme

The Directors consider it inappropriate to disclose the value of options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

LETTER FROM THE BOARD

General

A copy of the New Share Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Rooms 2206–2208, 22nd Floor, Greenfield Tower, Concordia Plaza, No. 1 Science Museum Road, Tsimshatsui East, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM.

As at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the New Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolution in relation thereto at the AGM.

ANNUAL GENERAL MEETING

At the AGM, ordinary resolutions will be proposed for, inter alia, the re-election of retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension of the Issue Mandate and the adoption of the New Share Option Scheme.

The notice of the AGM is set out on pages 21 to 24 of this circular. Shareholders are advised to read the notice and to complete and return the accompanying form of proxy for use at the AGM in accordance with the instructions printed thereon.

Pursuant to Rule 13.39(4) of the Listing Rules, any votes of the shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the re-election of the retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate, and the Extension of the Issue Mandate and the adoption of the New Share Option Scheme are in the interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board
Shenzhen International Holdings Limited
Gao Lei
Chairman

Particulars of the retiring Directors subject to re-election at the AGM are set out below:

Mr. Li Jing Qi

Mr. Li, aged 57, was appointed in March 2000 as an Executive Director and Vice President of the Company, and was appointed in August 2006 as the Chief Executive Officer of the Company. He is also a member of the Nomination Committee of the Company. Mr. Li is responsible for the overall daily operations of the Group and the implementation of the Group's development strategies and the resolutions of the general meetings and the board. Mr. Li is a graduate of Shanghai International Studies University with a Bachelor of Arts degree. He had successively worked at the Anhui Branch of Bank of China, Bank of China Hongkong-Macau Regional Office, Shenzhen Branch of Bank of China and was an executive director of Shenzhen High-Tech Holdings Limited. Mr. Li is currently a director of CSG Holding Co., Ltd., Shenzhen Expressway Company Limited and Ultrarich International Limited. He has over 20 years of experience in international banking and corporate management. Save as disclosed above, Mr. Li does not hold and has not held any directorships in other listed public companies in the last three years.

Mr. Li's director emolument comprises a monthly salary of HK\$120,000, which will be reviewed annually by the Board, and a discretionary bonus. Mr. Li had entered into a service contract with the Company for a term of three years commencing on 15 August 2012 and is subject to retirement by rotation but is eligible for re-election at the annual general meeting of the Company in accordance with the Bye-Laws. The emolument of Mr. Li is determined by reference to his experience and duties with the Company.

As at the Latest Practicable Date, Mr. Li has a personal interest in 828,680 Shares in the share capital of the Company and share options to subscribe for 1,840,000 Shares.

Save as disclosed above, Mr. Li does not have any relationship with any directors, senior management, substantial shareholders and/or controlling shareholders of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Li as a Director of the Company, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements of Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Professor Wong Yuk Shan, BBS, JP

Professor Wong, aged 64, was appointed in June 2011 as a Non-Executive Director of the Company. Professor Wong obtained his PhD in Plant Biochemistry from McGill University of Canada and is currently a Fellow of the Society of Biology in the United Kingdom and a Fellow of the Hong Kong Institute of Science. Professor Wong is currently the President of the Open University of Hong Kong. Professor Wong also serves as a HKSAR deputy of the National People's Congress of China, a member of the Committee of Hong Kong Basic Law, the chairman of Veterinary Surgeons Board of Hong Kong and the chairman of the Consumer Council. Professor Wong had taught at the Hong Kong Polytechnic (currently known as the Hong Kong Polytechnic University), the Chinese University of Hong Kong and the Hong Kong University of Science and Technology, and was the vice-president of the City University of Hong Kong and the vice-president for Administration and Business of the Hong Kong University of Science and Technology. Save as disclosed above, Professor Wong does not hold and has not held any directorships in other listed public companies in the last three years.

Professor Wong is entitled to receive an annual director's fee of HK\$300,000, which is determined by reference to the estimated time to be spent by him on the Company's matters. Professor Wong had entered into a service contract with the Company for a term of three years commencing on 13 June 2011 and is subject to retirement by rotation but is eligible for re-election at the annual general meeting of the Company in accordance with the Bye-Laws.

Professor Wong does not have any relationship with any directors, senior management, substantial shareholders and/or controlling shareholders of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Professor Wong as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

Mr. Nip Yun Wing

Mr. Nip, aged 60, was appointed in August 2004 as an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee of the Company. Mr. Nip is currently an executive director and the financial controller of China Overseas Land & Investment Limited. He is a Fellow of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. Mr. Nip is a MBA graduate of The Chinese University of Hong Kong. He has extensive experience in corporate finance, investment and management and had served as an executive director for several listed companies in Hong Kong. Save as disclosed above, Mr. Nip does not hold and has not held any directorships in other listed public companies in the last three years.

Mr. Nip is entitled to receive an annual director's fee of HK\$300,000, which is determined by reference to the estimated time to be spent by him on the Company's matters. Mr. Nip had entered into a service contract with the Company for a term of three years commencing on 1 June 2011 and is subject to retirement by rotation but is eligible for re-election at the annual general meeting of the Company in accordance with the Bye-Laws.

Mr. Nip does not have any relationship with any directors, senior management, substantial shareholders and/or controlling shareholders of the Company, nor does he have any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Company considers that in relation to the re-election of Mr. Nip as a Director, there is no information which is discloseable nor is/was he involved in any of the matters required to be disclosed pursuant to any of the requirements under Rule 13.51(2) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

This appendix serves as an explanatory statement required by the Stock Exchange to be presented to the Shareholders concerning the Repurchase Mandate proposed to be granted to the Directors.

PROVISIONS OF THE LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their equity securities subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities by a company with its primary listing on the Stock Exchange must be approved by an ordinary resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

(ii) Source of funds

Repurchases must be funded out of funds legally available for such purposes in accordance with the Companies Act 1981 of Bermuda and the memorandum of association and Bye-Laws.

(iii) Repurchase restrictions

The aggregate number of shares which a company is authorised to repurchase on the Stock Exchange shall not exceed 10% of the issued share capital of the company as at the date of the resolution granting the repurchase mandate to the directors.

EXERCISE OF THE REPURCHASE MANDATE

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,658,280,695 Shares.

On the basis that no further Shares are issued or purchased between the Latest Practicable Date and the date of the AGM and subject to the passing of the ordinary resolution granting the Repurchase Mandate, the Company will be allowed under the Repurchase Mandate to purchase a maximum of 165,828,069 issued and fully paid Shares (representing 10% of the issued share capital of the Company as at the Latest Practicable Date) during the period ending on the earliest of the conclusion of the next annual general meeting of the Company, the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or the Companies Act 1981 of Bermuda to be held, or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

REASONS FOR REPURCHASE

The Directors consider that the Repurchase Mandate will provide the Company with flexibility to make such repurchases when appropriate and beneficial to the Company. Such repurchases may enhance the net asset value of the Company and/or earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

FUNDING OF REPURCHASES

In repurchasing securities, the Company must only apply funds legally available for such purposes in accordance with its memorandum of association and the Bye-Laws and the Companies Act 1981 of Bermuda. It is envisaged that the funds required for any repurchase will be financed from available cash flow or working capital facilities of the Group. Bermuda law provides that the purchase of Shares may only be effected out of the capital paid up on the purchased Shares, funds of the Company which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of securities of the Company made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the Shares to be purchased must be out of either funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company. Such purchase may not be made if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase would be, unable to pay its liabilities as they become due.

There might be a material adverse impact on the working capital or gearing levels of the Company (as compared with the position disclosed in its most recent published audited financial statements for the year ended 31 December 2013) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL

None of the Directors, nor to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, if the Repurchase Mandate is exercised, to sell any securities to the Company.

No connected person has notified the Company that he/she has a present intention to sell securities to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the Companies Act 1981 of Bermuda, and other applicable laws of Bermuda, the jurisdiction in which the Company incorporated, and in accordance with the regulations set out in the memorandum of association and the Bye-Laws.

If as a result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, the controlling shareholder of the Company, SIHCL, beneficially owned 47.97% of the entire issued share capital of the Company. In the event that the Directors exercised in full the power

APPENDIX II EXPLANATORY STATEMENT ON REPURCHASE MANDATE

to repurchase securities which is proposed to be granted pursuant to the Repurchase Mandate, the shareholding of SIHCL in the Company would be increased to approximately 53% of the issued share capital of the Company and SIHCL would become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. The Directors do not propose to exercise the power to repurchase securities to such extent that would give rise to an obligation of SIHCL to make a mandatory offer in accordance with the Takeovers Code.

As at the Latest Practicable Date, the Company has maintained a sufficient public float. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the number of Shares held by the public would not fall below 25%.

PRICES FOR SHARES

The highest and lowest prices in each month for the period from 1 April 2013 to the Latest Practicable Date for the Shares being traded on the Stock Exchange were as follows:

	Share price	
	Highest HK\$	Lowest HK\$
2013		
April	10.600*	8.400*
May	11.500*	10.000*
June	10.600*	8.300*
July	10.600*	8.800*
August	10.700*	9.400*
September	10.100*	9.300*
October	10.000*	9.100*
November	9.800*	9.000*
December	10.500*	9.400*
2014		
January	10.900*	9.500*
February	10.280	8.690
March	10.680	9.400
April (up to the Latest Practicable Date)	9.950	9.480

* *Adjusted taken into account the effect of the consolidation of every 10 shares of the Company with a nominal value of HK\$0.10 each into 1 consolidated share of the Company with a nominal value of HK\$1.00 each, which became effective on 13 February 2014.*

REPURCHASE OF SECURITIES

No repurchase of Shares has been made by the Company in the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).

THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved and adopted by the Shareholders at the AGM.

1. Purpose

The New Share Option Scheme is a share incentive scheme and is established to recognise, motivate and provide incentives to those who make contributions to the Group. The New Share Option Scheme will motivate the Participants to optimise their performance and efficiency, and attract and retain the Participants whose contributions are important to the long-term growth and profitability of the Group.

2. Who may join

The Board shall be entitled at any time and from time to time within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, which may include the minimum period for which an Option must be held before an Option can be exercised, to take up an Option pursuant to which such Participant may, subscribe during the Option Period for such number of Shares as the Board may determine at the Subscription Price.

3. Subscription Price

The Subscription Price shall be a price solely determined by the Board and notified to a Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date (which must be a business day); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date.

4. Payment on acceptance of Offer

An Offer shall be deemed to have been accepted and an Option to which the Offer relates shall be deemed to have been granted and accepted and to have taken effect when a letter in such form as the Board may from time to time determine signifying acceptance of the Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 7 days from the Offer Date. Such remittance shall in no circumstance be refundable.

5. Maximum number of Shares

The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30% of the Shares in issue from time to time. No option may be granted under any schemes of the Company if this will result in the limit being exceeded.

In addition, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company (excluding options lapsed in accordance with the New Share Option Scheme and any other schemes of the Company) must not in aggregate exceed 10% of the Shares in issue as at the Adoption Date, which shall be 165,828,069 Shares on the assumption that there will be no variation in the number of issued share capital of the Company during the period from the Latest Practicable Date up to the date of the Shareholders' resolution to approve the New Share Option Scheme.

The 10% limit may be "refreshed" by approval of the Shareholders in general meeting. However, the total number of Shares which may be issued upon exercise of all options to be granted under the New Share Option Scheme and any other schemes of the Company as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval of the limit. Options previously granted under the New Share Option Scheme and any other schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and other schemes of the Company or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". A circular must be sent to the Shareholders containing the information as required under the Listing Rules in this regard.

The Company may seek separate approval by the Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought. In such situation, the Company will send a circular to the Shareholders containing a generic description of the specified persons who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified persons with an explanation of how the terms of the Options will serve the purpose, and all other information required under the Listing Rules.

The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including both exercised and outstanding Options) under the New Share Option Scheme in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his associates abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription Price. In such situation, the Company will send a circular to the Shareholders containing the identity of the Participant, the number and terms of Options to be granted (and previously granted to such person), and all other information required under the Listing Rules.

6. Time of exercise of Option

An Option may be exercised in whole or in part in the manner as set out in the New Share Option Scheme by the Grantee (or, as the case may be, his or her legal personal representatives) at any time during the Option Period.

7. Rights are personal to the Grantee

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of these restrictions will automatically render the Options lapsed.

8. Rights on cessation of employment by death

If the Grantee dies before exercising the Option in full, his or her legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent not already exercised) within the period of 6 months following his or her death.

9. Rights on cessation of employment by summary dismissal

If the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment summarily at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, the Option of the Grantee to the extent not already exercised will thereupon lapse forthwith.

10. Rights on cessation of employment for other reasons

If the Grantee is an employee of the Group (other than a Director) when an Offer is made to him and he subsequently ceases to be an employee of the Group for any reason other than his death or on one or more of the grounds specified in paragraph 9, the Grantee may exercise the Option up to the Grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised), which date shall be the Grantee's last actual working day with the Company or the relevant subsidiary (subject to the Board's discretion to extend such period up to 6 months after such last working day) whether salary is paid in lieu of notice or not.

11. Rights on winding up

In the event of an effective resolution being passed for the voluntary winding-up of the Company, the Grantee (or where appropriate, his or her legal personal representatives) may by notice in writing to the Company within 21 business days after the date of such resolution elect

to be treated as if the Option had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the Shareholders such sum as would have been received in respect of the Shares the subject of such election reduced by an amount equal to the Subscription Price which would otherwise have been payable in respect thereof.

12. Rights on ceasing to hold the office of director

If the Grantee is a director of the Group, Associated Companies and Joint Ventures when an Offer is made to him and he subsequently ceases to hold such office for any reason other than his death or retirement, the Option shall lapse on the expiry of 6 months after the date of his ceasing to hold such office.

13. Rights on cessation of employment by retirement

If the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee as a result of his retirement before exercising the Option in full, the Grantee may exercise the Option up to his entitlement (to the extent not already exercised) within the period of 6 months following his retirement.

14. Effects of alterations to share capital

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party), such corresponding adjustments (if any) shall be made in:

- (a) the number of Shares subject to the Option so far as unexercised; and/or
- (b) the Subscription Price; and/or
- (c) the method of exercise of the Option,

as the auditors for the time being of the Company or the independent financial advisor of the Company shall confirm in writing to the Board to be in their opinion fair and reasonable (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a Grantee the same proportion of the issued share capital of the Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a share to be issued at less than its nominal value.

15. Share Capital

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum of association and Bye-Laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of exercise of

the Option and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of the exercise of the Option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with if the record date therefor shall be on or before the date of exercise of the Option. The Options do not carry any right to vote in general meeting of the Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of the Company.

16. Termination of the New Share Option Scheme

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further Option will be offered but Options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the New Share Option Scheme.

17. Lapse of Option

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs 8, 10, 12 or 13;
- (iii) subject to paragraph 11, the date of the commencement of the winding-up of the Company;
- (iv) the date on which the Grantee who is an employee of the Group ceases to be an employee by reason of the termination of his employment with the Group on any one or more of the grounds referred to in paragraph 9;
- (v) the date on which the Grantee commits a breach of paragraph 7;
- (vi) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty; and
- (vii) subject to paragraphs 10, 12 and 13, the date on which the Grantee ceases to be a Participant for any other reason.

18. Cancellation of Options

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Participant, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

19. Alterations to the New Share Option Scheme

The New Share Option Scheme may be altered in any respect by resolution of the Board except that any specific provision of the New Share Option Scheme relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of the Shareholders by a resolution in general meeting. Any alteration to the terms and conditions of the New Share Option Scheme which is of a material nature or any change to the terms of options granted or any change to the authority of the Board in respect of the New Share Option Scheme, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

20. Restrictions on the time of grant of Options

No Offer may be made after an event which constitutes inside information (as defined in the SFO) of the Group has occurred or such matter has been the subject of a decision until such inside information has been announced in accordance with the Listing Rules and the SFO.

21. Restrictions on grant

Each grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by independent non-executive directors of the Company (excluding independent non-executive director who is the Grantee). Where any grant of Options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates would result in the Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) under the New Share Option Scheme to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of an Offer is made, in excess of HK\$5 million, such further grant of Options must be approved by the Shareholders taken on a poll with all connected persons (as defined in the Listing Rules) abstaining from voting (except where any connected person intends to vote against the proposed grant and his intention to do so has been stated in the circular to Shareholders in connection with obtaining the aforesaid approval).

22. Present status of the New Share Option Scheme

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in the Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

23. Performance Targets

The Board may at its absolute discretion, determine the performance targets of a Grantee before any Option granted under the New Share Option Scheme can be exercised.

NOTICE OF ANNUAL GENERAL MEETING



Shenzhen International Holdings Limited

深圳國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00152)

(the “Company”)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at Grand Ballroom East, 2/F., Hotel Nikko Hongkong, 72 Mody Road, Tsimshatsui East, Kowloon, Hong Kong on Friday, 16 May 2014 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

As Ordinary Business

1. To receive and consider the audited Financial Statements and the Reports of the Directors and of the Auditor for the year ended 31 December 2013;
2. To declare the final dividend for the year ended 31 December 2013, the final dividend be satisfied in the form of an allotment of scrip shares, and shareholders of the Company will be given the option of receiving in cash;
3.
 - (i) To re-elect Mr. Li Jing Qi as a Director;
 - (ii) To re-elect Professor Wong Yuk Shan as a Director;
 - (iii) To re-elect Mr. Nip Yun Wing as a Director; and
 - (iv) To authorise the Board of Directors to fix the Directors’ remuneration;
4. To re-appoint the Auditor of the Company and to authorise the Board of Directors to fix the Auditor’s remuneration; and

As Special Business

To consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

5. **“THAT:**
 - (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong

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Limited (the “Stock Exchange”), subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to paragraph (a) above during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

6. **“THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company), which would or might require the exercise of such powers during or after the end of the Relevant Period, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares of the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) an issue of shares upon the exercise of subscription rights or conversion rights under any warrants of the Company or any securities of the Company which are convertible into shares of the Company; (iii) an issue of shares as scrip dividends pursuant to the Bye-Laws of the Company from time

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to time; or (iv) an issue of shares under any option scheme or similar arrangement for the time being adopted of the Company, shall not exceed 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws of the Company or any applicable laws to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“**Rights Issue**” means the allotment, issue or grant of shares pursuant to an offer open for a period fixed by the Directors of the Company to holders of shares or any class thereof on the register of holders of shares of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

7. “**THAT** conditional upon the passing of resolution nos. 5 and 6 above, the aggregate nominal amount of the shares which shall have been repurchased by the Company pursuant to and in accordance with resolution no. 5 above shall be added to the aggregate nominal amount of the shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to and in accordance with resolution no. 6 above, provided that such additional amount shall not exceed 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing this resolution.”

8. “**THAT**:

- (a) subject to and conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the shares in the capital of the Company with a par value of HK\$1.00 each (“Shares”) to be allotted and issued by the Company pursuant to the exercise of options to be granted under the proposed rules of the share option scheme, the proposed share option scheme of the Company, the terms of which are set out in a document submitted to the

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meeting marked “A” and signed for the purpose of identification by the chairman of the meeting, be and are hereby approved and adopted as the Company’s new share option scheme (the “New Share Option Scheme”); and

- (b) the board of directors of the Company be and is hereby authorised to grant options thereunder to subscribe for Shares in accordance with the terms of the New Share Option Scheme up to a maximum of 10% of the Shares in issue as at the date of passing of this resolution, to allot and issue Shares upon the exercise of the options so granted, to administer the New Share Option Scheme in accordance with its terms and to take all necessary actions incidental thereto as it deems fit”.

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

Hong Kong, 11 April 2014

Notes:

1. A form of proxy for use at the meeting is enclosed herewith.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead in accordance with the Company’s Bye-Laws. A proxy need not be a member of the Company but must be present in person to represent the member.
3. To be valid, a form of proxy, together with the power of attorney (if any) or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment thereof (as the case may be) should they so wish, and in such event, the instrument appointing a proxy shall be revoked.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised.