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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)

**PROPOSED ISSUE OF USD300,000,000 3.95%
SENIOR PERPETUAL CAPITAL SECURITIES**

Reference is made to the Company's announcement dated 16 November 2017. Unless the context requires otherwise, capitalised terms used herein shall have the same meaning as those defined in that announcement and in the terms and conditions of the USD Senior Perpetual Capital Securities.

On 21 November 2017, the Company entered into the Subscription Agreement with The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), ING Bank N.V., Singapore Branch ("ING"), MUFG Securities EMEA plc ("MUFG"), DBS Bank Ltd. ("DBS"), Morgan Stanley & Co. International plc ("Morgan Stanley") and UBS AG Hong Kong Branch ("UBS") as joint lead managers and joint bookrunners in relation to the issue of the USD Senior Perpetual Capital Securities.

The net proceeds from the Issue will be approximately USD298,700,000 (approximately HK\$2,331,500,000). The Group intends to use the net proceeds from the Issue for the investment in integrated logistic hubs, the repayment of certain of the Company's existing debt obligations and general working capital purposes.

The USD Senior Perpetual Capital Securities will not be registered under the Securities Act and, except pursuant to certain exemptions, may not be offered or sold within the United States. The USD Senior Perpetual Capital Securities will be offered outside the United States in reliance on Regulation S under the Securities Act. None of the USD Senior Perpetual Capital Securities will be offered to the public in Hong Kong.

The Company intends to seek a listing of the USD Senior Perpetual Capital Securities on the Stock Exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the USD Senior Perpetual Capital Securities by way of debt issues to professional investors only. There is no guarantee that an approval of listing of the USD Senior Perpetual Capital Securities on the Stock Exchange will be obtained. Approval of the listing of the USD Senior Perpetual Capital Securities on the Stock Exchange is not to be taken as an indication of the merits of the Company or the USD Senior Perpetual Capital Securities.

The Company has been rated “Baa2” by Moody’s, “BBB” by Standard and Poor’s and “BBB” by Fitch Ratings, and the USD Senior Perpetual Capital Securities are expected to be rated “Baa2” by Moody’s. A rating is not a recommendation to buy, sell or hold the USD Senior Perpetual Capital Securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

The USD Senior Perpetual Capital Securities are expected to be issued on or about 29 November 2017.

The Board is pleased to announce that on 21 November 2017, the Company entered into the Subscription Agreement with the Joint Lead Managers in relation to the issue of the USD Senior Perpetual Capital Securities.

THE SUBSCRIPTION AGREEMENT

Date

21 November 2017

Parties to the Subscription Agreement

- (a) the Company, as issuer of the USD Senior Perpetual Capital Securities
- (b) HSBC, ING, MUFG, DBS, Morgan Stanley and UBS, as the joint lead managers and joint bookrunners in respect of the Issue

Subject to the fulfillment of certain conditions precedent under the Subscription Agreement, the Joint Lead Managers will subscribe and pay for, or procure subscribers to subscribe and pay for, the USD Senior Perpetual Capital Securities. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the Joint Lead Managers are independent third parties and are not connected persons of the Company.

The USD Senior Perpetual Capital Securities will not be registered under the Securities Act and, except pursuant to certain exemptions, may not be offered or sold within the United States. The USD Senior Perpetual Capital Securities will be offered outside the United States in reliance on Regulation S under the Securities Act. None of the USD Senior Perpetual Capital Securities will be offered to the public in Hong Kong.

Principal terms of the USD Senior Perpetual Capital Securities

USD Senior Perpetual Capital Securities Offered

USD300,000,000 aggregate principal amount of 3.95% senior perpetual capital securities

Issue Price

100% of the principal amount of the USD Senior Perpetual Capital Securities.

Denomination

USD200,000 and integral multiples of USD1,000 in excess thereof.

Distribution

The USD Senior Perpetual Capital Securities confer a right to receive distributions (each a “Distribution”) from and including 29 November 2017 (the “Issue Date”) at the Distribution Rate. Distribution will be payable semi-annually in arrear on 29 May and 29 November in each year (commencing on 29 May 2018). The Company may elect to defer payments of Distribution subject to the terms and conditions of the USD Senior Perpetual Capital Securities.

Rate of Distribution

Subject to any increase pursuant to the terms and conditions of the USD Senior Perpetual Capital Securities, the rate of distribution (“Distribution Rate”) applicable to the USD Senior Perpetual Capital Securities will be:

- (i) in respect of each Distribution Payment Date, the period from, and including, the Issue Date to, but excluding 29 November 2022, (the “First Call Date”), at 3.95 % per annum (the “Initial Distribution Rate”); and
- (ii) (A) from and including the First Call Date, to, but excluding, the Reset Date falling immediately after the First Call Date; and (B) from, and including, each Reset Date falling after the First Call Date to, but excluding, the immediately following Reset Date, the Relevant Reset Distribution Rate.

Upon the occurrence of a Change of Control Event, a Breach of Covenants Event or a Relevant Indebtedness Default Event, the Distribution Rate will increase by 5.00 per cent. per annum, unless an irrevocable notice of redemption has been provided or the Breach of Covenants Event or the Relevant Indebtedness Default Event remedied within the timing prescribed in the terms and conditions of the USD Senior Perpetual Capital Securities.

Status of the USD Senior Perpetual Capital Securities

The USD Senior Perpetual Capital Securities will constitute direct, unconditional, unsubordinated and (subject to certain exceptions) unsecured obligations of the Company which will at all times rank at least *pari passu* without preference among themselves. The payment obligations of the Company under the USD Senior Perpetual Capital Securities shall,

save for such exceptions as may be provided by applicable legislation and subject to certain conditions, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

Redemption

The USD Senior Perpetual Capital Securities are perpetual securities and have no fixed redemption date.

The USD Senior Perpetual Capital Securities may be redeemed at the option of the Company under certain circumstances in accordance with, and at the redemption amount provided in, the terms and conditions of the USD Senior Perpetual Capital Securities, including but not limited to:

- (i) The USD Senior Perpetual Capital Securities may be redeemed at the option of the Company in whole, but not in part, on giving irrevocable prior notice to the holders of the USD Senior Perpetual Capital Securities in accordance with, and at the redemption amount provided in, the terms and conditions of the USD Senior Perpetual Capital Securities.
- (ii) The USD Senior Perpetual Capital Securities may be redeemed at the option of the Company in whole, but not in part, in the event of certain changes affecting taxes of Bermuda, the PRC or Hong Kong.
- (iii) The USD Senior Perpetual Capital Securities may be redeemed at the option of the Company in whole, but not in part, at any time, if, as a result of any changes or amendments to Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants or any other generally accepted accounting standards that may be adopted by the Company for the purposes of preparing its consolidated financial statements, the USD Senior Perpetual Capital Securities must not or must no longer be recorded as “equity” of the Company under such standards.
- (iv) The USD Senior Perpetual Capital Securities may also be redeemed at the option of the Company in whole, but not in part, at any time, upon the occurrence of a Breach of Covenants Event or a Relevant Indebtedness Default Event.
- (v) The USD Senior Perpetual Capital Securities may also be redeemed at the option of the Company if prior to the date fixed for redemption at least 90% in principal amount of the USD Senior Perpetual Capital Securities issued on 29 November 2017 has already been cancelled.

In addition, at any time following a Change of Control Event, the USD Senior Perpetual Capital Securities may be redeemed at the option of the Company in whole but not in part at 101% of their principal amount (together with any Distribution accrued to the date fixed for redemption (including any Arrears of Distribution and any Additional Distribution Amount)).

Termination of the Subscription Agreement

The Joint Lead Managers have rights to terminate the Subscription Agreement in the circumstances specified in the Subscription Agreement including, without limitation, the occurrence of certain force majeure events.

The USD Senior Perpetual Capital Securities are expected to be issued on or about 29 November 2017, subject to the satisfaction of customary closing conditions.

USE OF PROCEEDS

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

The net proceeds from the Issue after deducting the underwriting commission and other estimated expenses will be approximately USD298,700,000 (approximately HK\$2,331,500,000). The Group intends to use the net proceeds for the investment in integrated logistic hubs, the repayment of certain of the Company's existing debt obligations and general working capital purposes.

LISTING

The Company intends to seek a listing of the USD Senior Perpetual Capital Securities on the Stock Exchange. An application will be made to the Stock Exchange for the listing of, and permission to deal in, the USD Senior Perpetual Capital Securities by way of debt issues to professional investors only. There is no guarantee that an approval of listing of the USD Senior Perpetual Capital Securities on the Stock Exchange will be obtained. Approval of the listing of the USD Senior Perpetual Capital Securities on the Stock Exchange is not to be taken as an indication of the merits of the Company or the USD Senior Perpetual Capital Securities.

RATING

The Company has been rated "Baa2" by Moody's, "BBB" by Standard and Poor's and "BBB" by Fitch Ratings, and the USD Senior Perpetual Capital Securities are expected to be rated "Baa2" by Moody's. A rating is not a recommendation to buy, sell or hold the USD Senior Perpetual Capital Securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless the context requires otherwise:

"Change of Control Event"	occurs when: (i) State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal (深圳市人民政府國有資產監督管理委員會) ("SZ SASAC") or its successors ceases to have, either directly or indirectly or as the beneficiary of a trust, acting individually or together, control of the Company; or (ii) any person or persons, acting together, acquires, directly or indirectly, voting rights of the issued share capital of the Company and the aggregate voting rights held by such person or persons exceed the voting rights held, directly or indirectly, by SZ SASAC; or (iii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets
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to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity, where “control” means the acquisition or control of more than 30 per cent. of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Company’s board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise

“connected person”	has the meaning ascribed to it under the Listing Rules
“Issue”	issue of the USD Senior Perpetual Capital Securities by the Company under the Subscription Agreement
“Joint Lead Manager(s)”	HSBC, ING, MUFG, DBS, Morgan Stanley and UBS (each a “Joint Lead Manager” and together the “Joint Lead Managers”)
“Relevant Reset Distribution Rate”	a rate of interest expressed as a percentage per annum equal to the sum of: (i) the initial spread of 1.85 per cent.; (ii) the Treasury Rate; and (iii) 5.00 per cent.
“Reset Date”	the First Call Date and each day falling every five calendar years after the First Call Date
“Subscription Agreement”	the subscription agreement dated 21 November 2017 between the Company, HSBC, ING, MUFG, DBS, Morgan Stanley and UBS in relation to the Issue
“USD Senior Perpetual Capital Securities”	USD300,000,000 3.95% senior perpetual capital securities to be issued by the Company

In this announcement, exchange rate of HK\$7.8055:USD1.00 has been used for illustration purposes. No assurance is given that these currencies may be exchanged at such rate or at all.

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

Hong Kong, 21 November 2017

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