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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 IN RELATION TO THE SPIN-OFF OF TWO LOGISTICS PARKS PROJECTS AND OFFERING OF CHINAAMC-SHENZHEN INTERNATIONAL REIT

EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on 27 June 2024, Logistics Development Company has entered into the Equity Transfer Agreement I and Equity Transfer Agreement II with Hangzhou SPV and Guizhou SPV, respectively. Accordingly, Logistics Development Company will transfer its entire equity interest in Hangzhou Project Company and Guizhou Project Company to Hangzhou SPV and Guizhou SPV respectively, at the total consideration of approximately RMB1,117 million.

ChinaAMC-Shenzhen International REIT has completed its offering on 21 June 2024 and plans to be listed on the SZSE. The final offering size of ChinaAMC-Shenzhen International REIT is 600 million Units, with an offer price of RMB 2.490 per Unit, and the underlying assets are Hangzhou Project and Guizhou Project held by Hangzhou Project Company and Guizhou Project Company respectively. The Group has subscribed for 30% of the total Units of the ChinaAMC-Shenzhen International REIT at the offer price. Upon the completion of the Proposed Spin-off, the Company's equity interest in the Project Companies will be reduced from 100% to 30%, the Project Companies will cease to be subsidiaries of the Company.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER OF PROJECT COMPANIES

The transfer of equity interest in the Project Companies is an important part of the Group's implementation of the Infrastructure REITs issuance plan. Through the issuance of infrastructure REITs, the Group can effectively revitalize high-quality existing logistics park assets, recoup its upfront capital investment, improve its asset liquidity, and enhance its investment capabilities, which will help the Group further expand financing channels and complete the short closed-loop business model of "Investment, Construction, Financing and Operation". In addition, as a Unitholder, the Group can continue to benefit from the performance of the Projects, meanwhile it can obtain sustainable income through providing operation and management services for Infrastructure REITs assets.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio in relation to the equity transfer of Project Companies exceeds 5% but is less than 25%, the equity transfer of the Project Companies constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

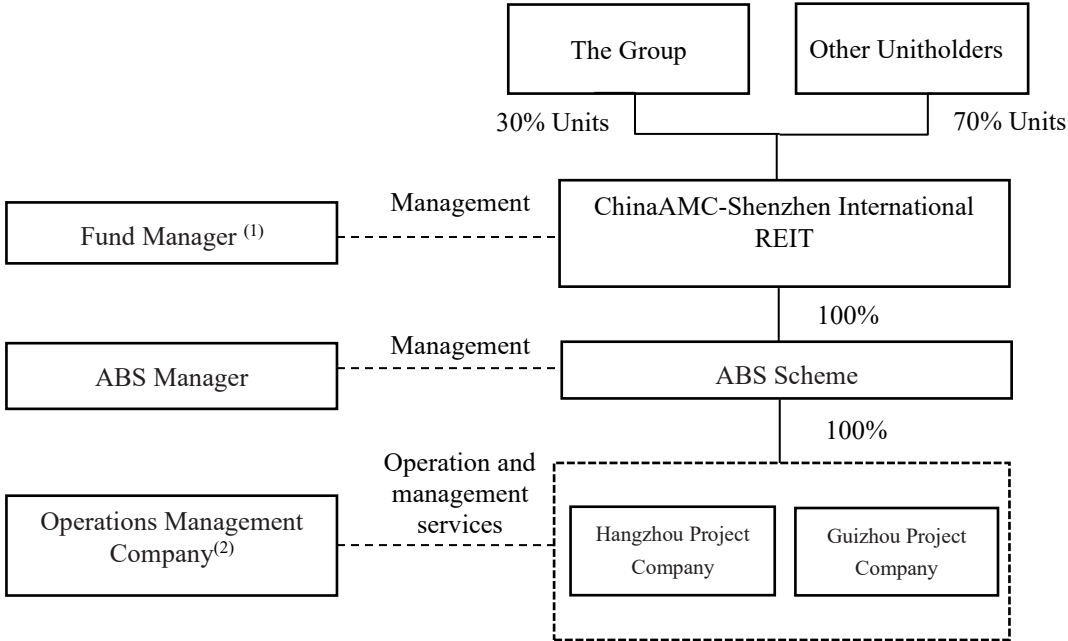
Reference is made to the announcements of the Company dated 13 July 2023 and 8 December 2023 in relation to, among others, (i) the Proposed Spin-off and separate listing of Hangzhou Project and Guizhou Project through a publicly offered infrastructure securities investment fund; (ii) the Hong Kong Stock Exchange having confirmed that the Company may proceed with the Proposed Spin-off and granted the relevant waiver; and (iii) the CSRC and the SZSE having accepted the application for the registration and listing of the ChinaAMC-Shenzhen International REIT.

ChinaAMC-Shenzhen International REIT has been approved by SZSE on 26 March 2024, and the CSRC has also approved the registration of the ChinaAMC-Shenzhen International REIT. ChinaAMC-Shenzhen International REIT has completed its offering on 21 June 2024 and plans to be listed on the SZSE. The final offering size of ChinaAMC-Shenzhen International REIT is 600 million Units, with an offer price of RMB2.490 per Unit, with the total funds raised of approximately RMB1,494 million. The Group has subscribed for 30% of the total Units of the ChinaAMC-Shenzhen International REIT at the offer price.

Structure of the ChinaAMC-Shenzhen International REIT

The ABS Manager of the ChinaAMC-Shenzhen International REIT, CITIC Securities, has established the ABS Scheme of the ChinaAMC-Shenzhen International REIT. As at the date of this announcement, Logistics Development Company holds the entire equity interest in the SPVs and the Project Companies. The Proposed Spin-off involves a series of restructuring steps, including: (i) the ABS Scheme will acquire the entire equity interest in the SPVs from the Logistics Development Company at a nominal consideration of RMB1 each, and will subsequently inject the net proceeds from the Public Offering into the SPVs by way of capital injection into the SPVs’ registered capital and shareholder’s loan; (ii) the SPVs will use the net proceeds from the Public Offering to acquire the entire equity interest in the Project Companies from the Logistics Development Company, meanwhile the ABS Scheme will provide loans to the Project Companies; and (iii) the SPVs will be merged into the Project Companies through absorption. Upon the completion of the Proposed Spin-off, the Company’s equity interest in the Project Companies will be reduced from 100% to 30%.

The structure of the ChinaAMC-Shenzhen International REIT is set out below:



Notes:

- (1) Pursuant to relevant laws and regulations and the ChinaAMC-Shenzhen International REIT management contracts, the Fund Manager (which is required to satisfy the conditions and qualifications stipulated by the CSRC) will be ultimately responsible for the daily operation of the ChinaAMC-Shenzhen International REIT.
- (2) During the subsistence of ChinaAMC-Shenzhen International REIT, Logistics Development Company or its successor company will provide operation and management services as the Operations Management Company of the Hangzhou Project and Guizhou Project and to charge operation and management fees.

Equity Transfer Agreements

On 27 June 2024, Logistics Development Company has entered into the Equity Transfer Agreement I and Equity Transfer Agreement II with Hangzhou SPV and Guizhou SPV, respectively. Accordingly, Logistics Development Company will transfer its entire equity interest in Hangzhou Project Company and Guizhou Project Company to Hangzhou SPV and Guizhou SPV respectively, at the total consideration of approximately RMB1,117 million.

Major terms of the Equity Transfer Agreement I and Equity Transfer Agreement II are set out below:

Equity Transfer Agreement I

- Date : 27 June 2024
- Parties : Logistics Development Company (as Transferor); and
Hangzhou SPV (as Transferee)
- Transaction : Logistics Development Company has agreed to sell, and
Hangzhou SPV has agreed to acquire the entire equity
interest in Hangzhou Project Company
- Equity Transfer Consideration : Approximately RMB821 million

Equity Transfer Agreement II

- Date : 27 June 2024
- Parties : Logistics Development Company (as Transferor); and
Guizhou SPV (as Transferee)
- Transaction : Logistics Development Company has agreed to sell, and
Guizhou SPV has agreed to acquire the entire equity
interest in Guizhou Project Company
- Equity Transfer Consideration : Approximately RMB296 million

According to the Equity Transfer Agreements, the profit and loss of the Project Companies for the Transition Period shall be attributed to Logistics Development Company, and corresponding adjustments shall be made to the equity transfer consideration.

Equity Transfer Agreements will be effective upon the fulfilment of the following conditions:

- (1) the completion of the equity transfer of the SPVs, such that the ABS Manager becomes the sole shareholder of the SPVs; and
- (2) the legal representative(s), executive director(s), supervisor(s), manager(s) and general manager(s) (where applicable) of the SPVs having been changed to the persons designated by ABS Manager.

Payment of the Consideration

Subject to the fulfilment of the following conditions, Hangzhou SPV and Guizhou SPV shall pay to Logistics Development Company the total consideration for the transfer of equity interest in the Project Companies in full within 5 business days from and including the date of completion of the equity transfer of Project Companies (i.e. the date of completion of the registration of the equity transfer):

- (1) the equity transfer of the Project Companies having been completed;
- (2) the fund raising of ChinaAMC-Shenzhen International REIT having been completed and the ABS Scheme having been successfully established;
- (3) the ABS Manager having paid the equity transfer consideration of SPVs to Logistics Development Company;
- (4) the ABS Manager having fulfilled its capital contribution obligations to SPVs; and
- (5) the ABS Manager having provided shareholder's loans to SPVs.

BASIS OF CONSIDERATION

The consideration for the equity transfer of the Project Companies shall be equal to the proceeds of approximately RMB1,494 million raised from the public offering of the ChinaAMC-Shenzhen International REIT and deducts the reasonable expenses in relation to the Public Fund, ABS Scheme, SPVs and the Project Companies. The Company estimates that the consideration

for the equity transfer of the Project Companies to be approximately RMB1,117 million in aggregate.

FINANCIAL EFFECTS OF THE PROPOSED SPIN-OFF

Upon the completion of the Proposed Spin-off, the Project Companies will be wholly owned by the ChinaAMC-Shenzhen International REIT and the Project Companies will no longer be subsidiaries of the Company. In addition, the Company indirectly holds 30% of the total Units of the ChinaAMC-Shenzhen International REIT.

With reference to the estimated consideration for the equity transfer of the Project Companies and the net book value of approximately RMB530 million of the Project Companies in the Group's unaudited consolidated financial statements as at 31 May 2024, it is expected that the Group will record the profit after tax of approximately RMB512 million from the equity transfer of the Project Companies.

The actual financial effects as a result of the equity transfer of the Project Companies will be assessed based on the difference between the actual consideration for the equity transfer of the Project Companies and the net asset value of the Project Companies on the completion date and will be subject to the final audit and confirmation by the auditors of the Company.

PROPOSED USE OF PROCEEDS

The Company intends to use the net proceeds for the Group's logistics business. By using such proceeds for the investment in its core business, it is conducive to expanding the scale of the Group's core assets, optimising its financial structure, implementing its development strategies, and achieving its sustainable development.

INFORMATION ON THE PARTIES

The Group

The Group is principally engaged in logistics, toll road, port and general-environmental protection businesses. The Group perceives the Guangdong-Hong Kong-Macao Greater Bay Area, the Yangtze River Delta, the Beijing-Tianjin-Hebei areas and major logistics gateway cities as key strategic regions. Through investment, mergers and acquisitions, restructuring and consolidation, it focuses on the investment, construction and operation of logistics infrastructure in the four major areas of "Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure" (including inland ports, urban integrated logistics

parks, air cargo terminals and railway logistics terminals) and toll roads. The Group provides its customers with value-added logistics services including intelligent warehouse and integrated cold chain warehousing, and also expanded its business segments to include the comprehensive development of land related to the “logistics + commerce” industries as well as the investment in and operation of general environmental protection business.

The SPVs

The SPVs are limited companies incorporated and registered in the PRC. They are the special purpose vehicle companies established to implement the ChinaAMC-Shenzhen International REIT issuance plan. As at the date of this announcement, the SPVs are wholly-owned subsidiaries of Logistics Development Company. Subsequently, all equity interest in the SPVs will be transferred to the ABS Scheme, and the SPVs will be merged into the Project Companies.

The Fund Manager

The Fund Manager is ChinaAMC, a limited company incorporated in the PRC and mainly engaged in asset management. ChinaAMC is a non-wholly owned subsidiary of CITIC Securities, its shares are held by CITIC Securities, Mackenzie Financial Corporation and Tianjin Haipeng Technology Consulting Co., Ltd.*(天津海鵬科技諮詢有限公司) as to 62.2%, 27.8% and 10%, respectively.

The ABS Manager

The ABS Manager is CITIC Securities, which is mainly engaged in securities brokerage, investment banking and asset management. CITIC Securities is a joint stock limited company incorporated in the PRC. Its H shares and A shares are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 6030) and the Shanghai Stock Exchange (Stock Code: 600030), respectively.

As at the date of this announcement, having made all reasonable enquiries, to the best knowledge, information and belief of the Directors, each of the Fund Manager, the ABS Manager and their respective ultimate beneficial owners are independent third parties to the Company and its connected persons.

The Project Companies

Hangzhou Project Company

Hangzhou Project Company is a limited company incorporated in the PRC. It is primarily engaged in the provision of logistics warehouse services. As at the date of this announcement, it is an indirect wholly-owned subsidiary of the Company.

The financial information of Hangzhou Project Company prepared in accordance with the PRC GAAP for the two financial years ended 31 December 2022 and 2023 is set out below:

	For the year ended 31 December	
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Profit before taxation	29,407	29,032
Profit after taxation	22,002	20,845

The audited net asset value of Hangzhou Project Company as at 31 December 2023 was approximately RMB404,257,000.

Guizhou Project Company

Guizhou Project Company is a limited company incorporated in the PRC. It is primarily engaged in the provision of logistics warehouse services. As at the date of this announcement, it is an indirect wholly-owned subsidiary of the Company.

The financial information of Guizhou Project Company prepared in accordance with the PRC GAAP for the two financial years ended 31 December 2022 and 2023 is set out below:

	For the year ended 31 December	
	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>
Profit before taxation	14,685	14,984
Profit after taxation	12,172	12,272

The audited net asset value of Guizhou Project Company as of 31 December 2023 was approximately RMB134,292,000.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER OF THE PROJECT COMPANIES

The transfer of equity interest in the Project Companies is an important part of the Group's implementation of the Infrastructure REITs issuance plan. Through the issuance of infrastructure REITs, the Group can effectively revitalize high-quality existing logistics park assets, recoup its upfront capital investment, improve its asset liquidity, and enhance its investment capabilities, which will help the Group further expand financing channels and complete the short closed-loop business model of "Investment, Construction, Financing and Operation". In addition, as a Unitholder, the Group can continue to benefit from the performance of the Projects, meanwhile it can obtain sustainable income through providing operation and management services for Infrastructure REITs assets.

In view of the above, the Directors believe that the terms of the Equity Transfer Agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

As the highest applicable percentage ratio in relation to the equity transfer of Project Companies exceeds 5% but is less than 25%, the equity transfer of the Project Companies constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this Announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“ABS Manager”	CITIC Securities, being the manager of the ABS Scheme
“ABS Scheme”	CITIC Securities-Shenzhen International Warehouse and Logistics No.1 Asset-Backed Scheme* (中信證券-深國際倉儲物流 1 號資產支持專項計劃), an asset-backed scheme established within the framework of Infrastructure REITs

“Board”	the board of Directors of the Company
“business day”	a PRC working day other than Saturday, Sunday or statutory holidays in the PRC
“ChinaAMC”	China Asset Management Co., Ltd* (華夏基金管理 有限公司)
“ChinaAMC- Shenzhen International REIT” or “Public Fund”	ChinaAMC-Shenzhen International Warehousing & Logistics Close-end Infrastructure Securities Investment Fund* (華夏深國際倉儲物流封閉式基 礎設施證券投資基金), a public fund established within the structure of the Infrastructure REITs
“CITIC Securities”	CITIC Securities Co., Ltd* (中信證券股份有限公 司)
“Company”	Shenzhen International Holdings Limited (深圳國 際控股有限公司), a company incorporated in Bermuda and the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 00152)
“CSRC”	the China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreements”	the Equity Transfer Agreement I and Equity Transfer Agreement II
“Equity Transfer Agreement I”	the equity transfer agreement dated 27 June 2024 entered into between Logistics Development Company and Hangzhou SPV in relation to the transfer of the entire equity interest in Hangzhou Project Company

“Equity Transfer Agreement II”	the equity transfer agreement dated 27 June 2024 entered into between Logistics Development Company and Guizhou SPV in relation to the transfer of the entire equity interest in Guizhou Project Company
“Fund Manager”	ChinaAMC, being the manager of the Public Fund
“Group”	the Company and its subsidiaries
“Guizhou Project”	SZI Logistics Hub (Guizhou Longli) (深國際物流港(貴州龍里)), located in Longli County, Qiannan Buyi and Miao Autonomous Prefecture, Guizhou Province, the PRC, which is 100% owned by Guizhou Project Company, a wholly owned subsidiary of the Company
“Guizhou Project Company”	Guizhou Shenzhen International Integrated Logistics Hub Development Co., Ltd.* (貴州深國際綜合物流港發展有限公司), which is a wholly-owned subsidiary of the Company as at the date of this announcement and holds Guizhou Project
“Guizhou SPV”	Guizhou Shenqian Supply Chain Management Co., Ltd.* (貴州深黔供應鏈管理有限公司)
“Hangzhou Project”	SZI Logistics Hub (Hangzhou Phase I) (深國際物流港(杭州一期)), located in Hangzhou City, Zhejiang Province, the PRC, which is 100% owned by Hangzhou Project Company, a wholly owned subsidiary of the Company
“Hangzhou Project Company”	Hangzhou Shenzhen International Integrated Logistics Hub Development Co., Ltd.* (杭州深國際綜合物流港發展有限公司), which is a wholly-owned subsidiary of the Company as at the date of this announcement and holds Hangzhou Project

“Hangzhou SPV”	Hangzhou Shenhanyi Warehousing Co., Ltd.* (杭州深杭壹倉儲有限公司)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Infrastructure REITs”	the real estate investment trust for infrastructure assets established under the pilot scheme initiated by the CSRC and the National Development and Reform Commission
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Logistics Development Company”	Shenzhen International Logistics Development Co., Ltd.* (深圳市深國際物流發展有限公司)
“Operations Management Company”	Logistics Development Company or its successor company
“PRC”	the People’s Republic of China
“PRC GAAP”	the PRC Generally Accepted Accounting Principles as promulgated and, from time to time, amended or supplemented by the Ministry of Finance of the PRC
“Project Companies”	Hangzhou Project Company and Guizhou Project Company
“Projects”	Hangzhou Project and Guizhou Project
“Proposed Listing”	the proposed listing of the Units on the SZSE

“Proposed Spin-off”	the spin-off and separate listing of the Projects through the structure of the Infrastructure REITs on the SZSE
“Public Offering”	the public offering of the Units
“SPVs”	Hangzhou SPV and Guizhou SPV
“Shareholders”	shareholders of the Company
“SZSE”	the Shenzhen Stock Exchange
“Transition Period”	From the day following 31 December 2023 until the day before the completion of the business registration for the equity transfer of each of Project Companies
“Unit(s)”	the unit(s) of the Public Fund
“Unitholders”	the holders of the Units

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

27 June 2024

As at the date of this announcement, the Board consists of Messrs. Li Haitao, Liu Zhengyu, Wang Peihang and Dr. Dai Jingming as executive Directors, and Mr. Pan Chaojin, Dr. Zeng Zhi, Dr. Wang Guowen and Professor Ding Chunyan as independent non-executive Directors.

** For identification purposes only*