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

If you have sold or transferred all your shares in Shenzhen Investment 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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No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to that Shareholder without Shenzhen Investment Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00604)

SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2018

DEFINITIONS

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

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Company”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 00604)
“Director(s)”	the director(s) of the Company
“Election Form”	the form of election in relation to the Scrip Dividend Scheme
“Eligible Shareholder(s)”	Shareholder(s) whose names appeared on the register of members of the Company on the Record Date
“Final Dividend”	the final dividend of HK\$0.11 per Share for the year ended 31 December 2018
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	Friday, 5 July 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Record Date”	Thursday, 6 June 2019, being the date for determining Shareholders’ entitlement to the Final Dividend
“Scrip Dividend Scheme”	the payment of the Final Dividend to the Eligible Shareholders in cash, with an option given to the Eligible Shareholders to receive their Final Dividend wholly by the allotment of Scrip Shares in lieu of cash, or partly in cash and partly in the form of Scrip Shares

DEFINITIONS

“Scrip Share(s)”	new Share(s) credited as fully paid to be allotted and issued under the Scrip Dividend Scheme
“Share(s)”	share(s) of the Company
“Share Registrar”	Tricor Standard Limited
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Closure of the register of members of the Company Wednesday, 5 June 2019
to Thursday, 6 June 2019
(both dates inclusive)

Fix the market value of a Scrip Share
(5 trading days average) Wednesday, 5 June 2019
to Wednesday, 12 June 2019
(both dates inclusive)

Record Date Thursday, 6 June 2019

Despatch of Election Form Monday, 15 July 2019

Latest time for return of the Election Form
to the Share Registrar² 4:30 p.m. on Friday, 2 August 2019

Despatch of certificates for Scrip Shares and
cheques for cash dividends on or about Thursday, 15 August 2019

Expected first day of dealings in
Scrip Shares..... on or about Friday, 16 August 2019

Notes:

1. All times refer to Hong Kong local time.
2. The Election Form should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's Share Registrar, **Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 2 August 2019**. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force at or at any time prior to 4:30 p.m. on Friday, 2 August 2019, the deadline for return of the Election Form will be changed. Further information is set out in paragraph 6 headed "Election Form" of the "Letter from the Board".

LETTER FROM THE BOARD



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 00604)

Executive Directors:

Dr. Lu Hua (*Chairman*)
Mr. Huang Wei (*President*)
Mr. Mou Yong
Mr. Liu Chong

Registered Office:

8th Floor,
New East Ocean Centre,
9 Science Museum Road,
Tsimshatsui, Kowloon
Hong Kong

Non-Executive Directors:

Dr. Wu Jiesi
Mr. Liu Shichao

Independent Non-Executive Directors:

Mr. Wu Wai Chung, Michael
Mr. Li Wai Keung
Dr. Wong Yau Kar, David

15 July 2019

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE FINAL DIVIDEND
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. INTRODUCTION

The Company announced on 29 March 2019 that the Board had resolved to declare the Final Dividend and that the Final Dividend be paid in cash but Shareholders whose names appeared on the register of members of the Company on the Record Date are given the option of receiving the Final Dividend wholly by the allotment of Scrip Shares in lieu of cash, or partly in cash and partly in the form of Scrip Shares. At the annual general meeting of the Company held on 29 May 2019, the Shareholders approved the payment of the Final Dividend.

For the purpose of determining the Shareholders' entitlement to the Final Dividend, the register of members of the Company was closed from Wednesday, 5 June 2019 to Thursday, 6 June 2019 (both dates inclusive) and the Record Date for such entitlement was Thursday, 6 June 2019.

LETTER FROM THE BOARD

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, the Eligible Shareholders have the following choices in respect of the Final Dividend:

- (a) cash of HK\$0.11 for each Share held on the Record Date; or
- (b) an allotment of Scrip Shares (the number of which is determined as explained below); or
- (c) partly in cash and partly in the form of Scrip Shares.

For the purpose of calculating the number of Scrip Shares to be allotted under (b) and (c) above, the allotment price of the Scrip Shares has been fixed at HK\$2.84 per Share (the “Average Closing Price”), which is the average value of the closing prices per Share as quoted on the Stock Exchange for the five consecutive trading days commencing from Wednesday, 5 June 2019. Accordingly, the number of Scrip Shares which the Eligible Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date will be calculated as follows:

$$\begin{array}{rcccl} \text{Number of} & & \text{Number of Shares} & & \\ \text{Scrip Shares to} & = & \text{held on the Record} & \times & \text{HK\$0.11 (Final Dividend per Share)} \\ \text{be received} & & \text{Date and elected for} & & \\ & & \text{the Scrip Shares} & & \hline & & & & \text{HK\$2.84 (Average Closing Price)} \end{array}$$

The last day and time on which the Eligible Shareholders will be entitled to select their desired form of the Final Dividend is 4:30 p.m. on Friday, 2 August 2019. The number of the Scrip Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares will be disregarded and the benefit thereof will accrue to the Company. The Scrip Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank pari passu in all respects with the existing Shares except that they will not be entitled to the Final Dividend. The Scrip Shares will be allotted by way of capitalisation of the Company’s reserves or profits.

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme is beneficial to both the Shareholders and the Company as it will enable the Shareholders to further participate in the equity capital of the Company and the Company to retain cash for its operation.

LETTER FROM THE BOARD

4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Scrip Shares to be issued in respect of the Final Dividend.

If the condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void. In such a case, the Final Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 8,440,059,985 Shares in issue as at the Record Date, if all Shareholders elect to receive the Final Dividend in cash, the total cash dividend payable by the Company would be HK\$928,406,598.35. If all Shareholders elect to receive all of their entitlement to the Final Dividend in the form of Scrip Shares in lieu of cash and based on the Average Closing Price, the maximum number of Scrip Shares to be issued would be 326,903,731 Shares, representing approximately 3.87% of the total number of issued Shares as at the Latest Practicable Date and approximately 3.73% of the total number of issued Shares immediately after the issue of such Scrip Shares.

Shareholders should note that any receipt of the Scrip Shares by them may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

6. ELECTION FORM

The Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to elect to receive the Final Dividend wholly in Scrip Shares, or partly in cash and partly in Scrip Shares. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) To receive only cash for the Final Dividend

If you wish to receive only cash for the Final Dividend, you do not need to take any action. Therefore, please DO NOT return the Election Form.

(b) To receive only Scrip Shares for the Final Dividend

If you wish to receive only Scrip Shares for the Final Dividend, please just SIGN, DATE and RETURN the Election Form.

LETTER FROM THE BOARD

(c) To receive partly in cash and partly in Scrip Shares for the Final Dividend

If you wish to receive your Final Dividend partly in cash and partly in Scrip Shares, please ENTER in Box C of the Election Form the number of Shares which you held on the Record Date for which you require the Final Dividend to be paid in Scrip Shares. Then SIGN, DATE, and RETURN the Election Form.

If you have signed the Election Form but do not specify the number of Shares in respect of which you wish to receive Scrip Shares, or if you elect to receive Scrip Shares in respect of a greater number of Shares than your registered holding on the Record Date, then in either case you will be deemed to have exercised your election to receive Scrip Shares in respect of all the Shares registered in your name on the Record Date. Therefore, you will receive only Scrip Shares for the Final Dividend.

The Election Form should be completed in accordance with the instructions printed thereon and returned, so that they are received by the Company's Share Registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 2 August 2019.

The latest time for return of the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning:

- (a) in force in Hong Kong at any local time before 12:00 p.m. and no longer in force after 12:00 p.m. on Friday, 2 August 2019. Instead the deadline for the submission of the Election Form will be 5:00 p.m. on the same business day;**
- (b) in force in Hong Kong at any local time between 12:00 p.m. and 4:30 p.m. on Friday, 2 August 2019. Instead the deadline for the submission of the Election Form will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m..**

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder's Final Dividend being paid wholly in the form of cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Final Dividend may, after the relevant Election Forms are signed and returned to the Company's Share Registrar, be in any way withdrawn, revoked, superseded or altered.

The Election Form has not been enclosed for the Shareholders who have previously elected to receive their dividends in cash permanently. If you wish to change the permanent election, please inform the Company's Share Registrar, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by notice in writing not later than **4:30 p.m. on Friday, 2 August 2019.**

LETTER FROM THE BOARD

7. SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Based on the register of members of the Company as at the close of business on the Record Date, there were seven Shareholders with registered addresses outside Hong Kong, namely, three in the People's Republic of China (excluding Hong Kong), one in Singapore, two in the United Kingdom and one in the province of Alberta, Canada. The Company had made legal enquiries regarding the feasibility of extending the Scrip Dividend Scheme to Shareholders with registered addresses in these four jurisdictions and having considered the advices received, the Company is satisfied that these Shareholders may be offered the option to participate in the Scrip Dividend Scheme without the Company having to comply with the registration requirements and/or other formalities under the laws of the relevant jurisdictions. Accordingly, the Scrip Dividend Scheme is extended to the Shareholders with registered addresses in these four jurisdictions.

In addition, the Company has made the relevant enquiries and was advised that investors from mainland China who hold Shares through China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”) as nominee under Shanghai – Hong Kong Stock Connect and Shenzhen – Hong Kong Stock Connect (the “**PRC Southbound Trading Investors**”) can participate in the Scrip Dividend Scheme through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to elect to receive the Scrip Shares in respect of all or part of his/her holding of Shares in accordance with the relevant laws and regulations.

The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participants) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions with such intermediary in relation to the election to receive the Scrip Shares.

Notwithstanding the enquiries made by the Company with its legal advisers, it is the responsibility of Shareholders with a registered address outside Hong Kong to consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to it/him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder with a registered address outside Hong Kong who wishes to receive Scrip Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive Scrip Shares must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

8. LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

LETTER FROM THE BOARD

It is expected that the certificates for the Scrip Shares and cheques for cash dividends will be sent by ordinary mail to Shareholders at their own risk on or about Thursday, 15 August 2019, and the first day of dealings in the Scrip Shares on the Stock Exchange is expected to be on or about Friday, 16 August 2019. One share certificate will be issued for all Scrip Shares a Shareholder is entitled to. All share certificates for the Scrip Shares are non-renounceable.

Subject to the granting of the listing of, and permission to deal in, the Scrip Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such Scrip Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the Scrip Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. No Shares are listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

9. ODD LOTS

Scrip Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Final Dividend in Scrip Shares may be allocated in odd lots (of fewer than a board lot of 2,000 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of Scrip Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

10. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Scrip Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of Scrip Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
For and on behalf of the Board
LU Hua
Chairman