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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  
ACQUISITION OF LAND USE RIGHTS OF THE PINGHUNAN LAND PARCEL**

**ACQUISITION OF LAND USE RIGHTS OF THE PINGHUNAN LAND PARCEL**

The Board is pleased to announce that on 25 June 2023, Shenzhen International Railway, a non-wholly owned subsidiary of the Company, successfully won the bid for the land use rights of the Pinghunan Land Parcel located at Pinghu and Nanwan Subdistricts, Longgang District, Shenzhen, Guangdong Province, the PRC for the Consideration of RMB1,187 million (equivalent to approximately HK\$1,290 million) at the Public Auction and entered into the Confirmation Letter. Shenzhen International Railway is expected to enter into the Land Use Rights Grant Contract within fifteen (15) working days after signing of the Confirmation Letter.

After the Pinghunan Land Parcel is obtained, the Group will construct and develop a modern logistics hub over the railway yard for the second phase of the SZ Pinghunan Project. Shenzhen International Railway will own the titles and operation rights of the properties erected over the railway yard.

**REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Pinghunan Land Parcel is a relatively rare land resources in Shenzhen for construction of large-scale logistics facilities. It has a prime geographical location and good accessibility. By acquiring the land use rights of such land parcel permitted for logistics use with reasonable consideration, the Group's quality landbank in Shenzhen is increased. After the SZ Pinghunan Project is completed and put into operation, it will facilitate the expansion of the scale of the Group's business operations, enhance the influence of the Group in Guangdong-Hong Kong-Macao Greater Bay Area and increase the market share. The Group conducted comprehensive assessment and considered that the SZ Pinghunan Project has strategic significance, controllable risks, good market prospect and expected stable profitability. It will not only enable the Group to fulfill its role as a "state-owned municipal ancillary service developer and operator" but also achieve synergies with other logistics hubs of the Group in Shenzhen. It will enhance shareholders' returns and facilitate the long-term sustainable development of the Group.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **BACKGROUND**

Pursuant to the cooperation agreement entered into between the Group and Guangzhou Railway Group, a joint venture namely, Shenzhen International Railway, was set up to invest in and develop the SZ Pinghunan Project in August 2021. The Group intends to turn the SZ Pinghunan Project into a demonstrative multimodal transportation hub for the whole country as well as Asia. The Group pioneered the model of “obtaining strata titles in multi-level logistics and warehousing development to be constructed over a railway” in the SZ Pinghunan Project, thereby achieving an integrated “Rail Transportation + Modern Logistics” development.

The SZ Pinghunan Project was selected by the National Development and Reform Commission of the PRC and the Ministry of Transport of the PRC in September 2019 as one of the first batch of 23 national logistics hub projects to be developed as national logistics hubs to provide logistics services. The first phase of the SZ Pinghunan Project will commence various businesses including but not limited to warehousing, port container yard and rail transportation services. The railway yard has been handed over gradually since early 2022 and put into operation. Construction of a modern logistics hub over the railway yard for the second phase of the SZ Pinghunan Project will commence after the Pinghunan Land Parcel is obtained. On the premise of retaining all the planning functions of the railway yard, an 11-metre overhead floor will be built. The logistics land above the overhead floor will be used to build 850,000 square metres of logistics storage facilities. Shenzhen International Railway will own the titles and operation rights of the properties erected over the railway yard and carry out the development and operation of the second phase of the SZ Pinghunan Project.

## **ACQUISITION OF LAND USE RIGHTS OF THE PINGHUNAN LAND PARCEL**

The Board is pleased to announce that on 25 June 2023, Shenzhen International Railway, a non-wholly owned subsidiary of the Company, successfully won the bid for the land use rights of the Pinghunan Land Parcel located at Pinghu and Nanwan Subdistricts, Longgang District, Shenzhen, Guangdong Province, the PRC for the Consideration of RMB1,187 million (equivalent to approximately HK\$1,290 million) at the Public Auction and entered into the Confirmation Letter. Shenzhen International Railway is expected to enter into the Land Use Rights Grant Contract within fifteen (15) working days after signing of the Confirmation Letter.

After the Pinghunan Land Parcel is obtained, the Group will construct and develop a modern logistics hub over the railway yard for the second phase of the SZ Pinghunan Project. Shenzhen International Railway will own the titles and operation rights of the properties erected over the railway yard.

## Major Terms of the Land Use Rights Grant Contract

<b>Parties</b>	:	(i) the Bureau, as seller  (ii) Shenzhen International Railway, as buyer
<b>Location</b>	:	Located at the south of Jihe Expressway, the north of Shuiguan Expressway, the west of Danping Expressway, Pinghu and Nanwan Subdistricts of Longgang District, Shenzhen, Guangdong Province, the PRC. The space of the Pinghunan Land Parcel granted for construction is the space above the overhead floor (Huanghai Height System from 78.04 metre to 137.04 metre, with the final dimension of the space to be determined upon completion of construction)
<b>Site area</b>	:	333,594.17 square metres
<b>Gross floor area</b>	:	850,661.46 square metres
<b>Term of use</b>	:	30 years
<b>Permitted use</b>	:	For logistics use
<b>Consideration</b>	:	RMB1,187 million (equivalent to approximately HK\$1,290 million)

As at the date of this announcement, Shenzhen International Railway paid the security deposit of RMB237.4 million (equivalent to approximately HK\$258 million) for the bid, which will be used to settle part of the Consideration of the Pinghunan Land Parcel. The payment of the remainder of the Consideration shall be made in full within five (5) working days from the date on which the Land Use Rights Grant Contract is entered into.

### Consideration

The Consideration for acquiring the land use rights of the Pinghunan Land Parcel is RMB1,187 million (equivalent to approximately HK\$1,290 million), which will be financed by the Group's internal resources. The Consideration was arrived at after the Public Auction process. The bidding price was determined by Shenzhen International Railway when it submitted the bid at the Public Auction after taking into account the base price of the bidding, location, permitted use, potential development prospect of the Pinghunan Land Parcel and the current market conditions.

### INFORMATION ON THE PARTIES TO THE ACQUISITION

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, the Group 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.

Shenzhen International Railway is a limited liability company incorporated in the PRC and is principally engaged in warehousing, multimodal transportation and transportation agency businesses. Shenzhen International Railway is an indirect non-wholly owned subsidiary of the Company and is indirectly held by the Company and Guangzhou Railway Group as to 90% and 10%, respectively.

The Bureau is a PRC governmental authority in charge of (including but not limited to) the management and operation of natural resources and assets such as land in Longgang District, Shenzhen, Guangdong Province, the PRC.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Bureau and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Pinghunan Land Parcel is a relatively rare land resources in Shenzhen for construction of large-scale logistics facilities. It has a prime geographical location and good accessibility. By acquiring the land use rights of such land parcel permitted for logistics use with reasonable consideration, the Group’s quality landbank in Shenzhen is increased. After the SZ Pinghunan Project is completed and put into operation, it will facilitate the expansion of the scale of the Group’s business operations, enhance the influence of the Group in Guangdong-Hong Kong-Macao Greater Bay Area and increase the market share. The Group conducted comprehensive assessment and considered that the SZ Pinghunan Project has strategic significance, controllable risks, good market prospect and expected stable profitability. It will not only enable the Group to fulfill its role as a “state-owned municipal ancillary service developer and operator” but also achieve synergies with other logistics hubs of the Group in Shenzhen. It will enhance shareholders’ returns and facilitate the long-term sustainable development of the Group.

Having taken into account the above factors, the Directors believe that the terms of the Acquisition are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Acquisition exceed(s) 5% but is/are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“Acquisition”	the acquisition of the land use rights of the Pinghunan Land Parcel at the Public Auction by the Group
“Board”	the board of Directors
“Bureau”	the Planning and Natural Resources Bureau of Longgang Shenzhen Municipality* (深圳市規劃和自然資源局龍崗管理局)
“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 Stock Exchange (Stock Code : 00152)
“Confirmation Letter”	the confirmation letter (成交確認書) entered into between Shenzhen International Railway and Shenzhen Trading Group Co., Ltd. Land Mining Rights Business Branch Company* (深圳交易集團有限公司土地礦業權業務分公司) on 25 June 2023 to confirm the Acquisition through the Public Auction
“Consideration”	the consideration of RMB1,187 million (equivalent to approximately HK\$1,290 million) payable by Shenzhen International Railway for the Acquisition, which is the transacted land price for acquisition of the land use rights of the Pinghunan Land Parcel
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guangzhou Railway Group”	China Railway Guangzhou Group Co., Ltd.* (中國鐵路廣州局集團有限公司), being a wholly-owned subsidiary of China State Railway Group Co., Ltd (中國國家鐵路集團有限公司)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Land Use Rights Grant Contract”	the Shenzhen State-owned Construction Land Use Rights Grant Contract (深圳市國有建設用地使用權出讓合同) to be entered into between Shenzhen International Railway and the Bureau for the Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pinghunan Land Parcel”	the land parcel for the SZ Pinghunan Project, which is located at the south of Jihe Expressway, the north of Shuiguan Expressway, the west of Danping Expressway, Pinghu and Nanwan Subdistricts of Longgang District, Shenzhen, Guangdong Province, the PRC, has site area of 333,594.17 square metres and parcel no. G05103-0107. The space of the Pinghunan Land Parcel granted for construction is the space above the high stilted floor (Huanghai Height System from 78.04 metre to 137.04 metre, with the final dimension of the space to be determined upon completion of construction)
“PRC”	the People’s Republic of China
“Public Auction”	the public auction held by Shenzhen Trading Group Co., Ltd.* (Shenzhen Public Resources Trading Centre*) (深圳交易集團有限公司(深圳公共資源交易中心)) as appointed by the Bureau at which the Pinghunan Land Parcel was offered for sale
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen International Railway”	Shenzhen Municipal Shenzhen International Railway Logistics Development Company Limited* (深圳市深國鐵路物流發展有限公司), a non-wholly owned subsidiary of the Company incorporated in the PRC and indirectly owned by the Company as to 90%
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“SZ Pinghunan Project”

SZI Pinghunan Intelligent Logistics Hub\* (深國際平湖南智慧物流樞紐), a project located at the south of Pinghu Subdistrict of Longgang District, Shenzhen, between the Guangzhou-Shenzhen Railway and the Pinghu Marshalling Station of the Beijing-Kowloon Railway, which is north to Jihe Expressway and to the south and adjacent to Shuiguan Expressway

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

25 June 2023

*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, Dr. Zhou Zhiwei as non-executive Director and Mr. Pan Chaojin, Dr. Zeng Zhi and Dr. Wang Guowen as independent non-executive Directors.*

*In this announcement, conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB0.92. The exchange rates have been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts in RMB or HK\$ were or may have been exchanged at this or any other rates or at all.*

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