



## Shenzhen Investment increased stake in a promising commercial project in Shenyang

**4 January 2009.** Shenzhen Investment Limited (604.HK) is pleased to announce two recent business developments.

**Firstly**, we increased our stake in Wuai (五爱) -- a promising commercial property project in Shenyang from 29 per cent to 47 per cent for RMB 168 million;

**Secondly**, we signed an official agreement with Ma'anshan City Government to postpone the payment of land premium to the end of December 2010.

### ***Expanding our stake in Wuai project***

Shenzhen Investment originally held 29 per cent of Wuai Bus Terminal project via our transportation subsidiary — Shum Yip Shengkong (Group) Co., Ltd. We expanded our stake to 47 per cent for RMB168 million through capital injection last week, and Shenzhen Investment is now the controlling shareholder of the project.

Wuai Terminal project is located in Wuai District, Shenyang, Liaoning Province. Wuai has been the most bustling wholesale marketplace for small commodity transactions in the Northeastern China. The project has a GFA of 200,000 sqm of which 100,000 sqm is for commercial use. The project will be developed into a six-story commercial mall with a bus terminal on the ground floor. There are two residential towers of 1,000 units connected to the mall which are mainly for resettlement of local residents who resided here previously. Upon completion, 770 coaches will be set off from here everyday while the volume of travelers will reach 14 million per year.

Wuai Terminal project will be launched for pre-sale and lease in the 2H of 2009. We plan to sell half of the commercial areas while retain the rest as investment property. The ASP of commercial units will be set as high as RMB 20,000 per sqm which provides us a gross margin of more than 50 per cent. Given a robust business environment in Wuai area, rental yields may reach 15 per cent.

Shenzhen Investment currently holds more than 700,000 sqm of investment properties in the prime locations in Shenzhen city. These properties generate RMB 300 million as gross rental income each year and enjoy the highest potential of re-development as we have seen in Wuai, Shenyang.

***Delayed payments on land premium***

Shenzhen Investment has just signed a legally-binding contract with Ma'anshan City Government to postpone the payment of land premium. The first parcel of land where land price has already been paid will be handed to us by June 2009. The next payment amounting to RMB 326 million is due by Dec 2010, and the remaining 356 million will be paid by Dec 2011.

***Our associates: Tian An Cyber Park and Coastal Greenland reported good property sales***

Our associates, Tian An Cyber Park and Coastal Greenland Limited (1124.HK) have achieved strong presales in this tough year. As at 30 September 2008, Coastal Greenland generated sales revenue of HK\$1,995 million. Tian An reported sales turnover of RMB 743 million by the end of November 2008. Given their competitive land bank and quality products, we believe Shenzhen Investment will continue to benefit.

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For regular updates, please refer to our website, [www.shenzheninvestment.com](http://www.shenzheninvestment.com).

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