

**Shenzhen Investment Announces 2009 Annual Results**  
**Profit Attributable to Shareholders Increased by 13%**

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**Contracted Sales Surged 107% to HK\$5.67 Billion**

(9 April 2010, Hong Kong) Shenzhen Investment Limited (“Shenzhen Investment” or the “Group”, stock code: 00604HK) is pleased to announce the annual results for the year ended 31 December 2009.

***Results Highlights***

- Turnover of HK\$5,387million from the continuing operations, an increase of 32% y-o-y
- Property sales soared 39% to HK\$3,520 million
- Profit attributable to shareholders amounted to HK\$987 million, a y-o-y increase of 13%
- Contracted sales amount surged 107% to HK\$5,670 million
- Basic EPS was 29.59 HK cents, posting a y-o-y increase of 9%
- The Board proposed to declare a final dividend of 7 HK cents per share with total dividend for the year of 12 HK cents per share.

Commenting the annual results 2009, Mr. Guo Limin, the Chairman of Shenzhen Investment, said, “2009 was a dramatic year for PRC property industry. At the beginning of 2009, PRC property industry has been gradually recovering with the supporting policies of central government and relaxing monetary environment. In the second half of the year, housing prices of some first and second tier cities were rising too fast, end-user demand was restrained, affecting the transaction volume of new properties. However, the housing price remained firm. With the implementation of the economic stimulus measures, as well as the Group's leading position in Shenzhen, contracted sales significantly enhanced.”

***Property Development***

In 2009, PRC property market rebounded significantly. The Group achieved satisfactory sales performance in major projects. After deducting business tax, property sales revenue increased by 39% y-o-y to HK\$3,520 million. The group delivered 376,000 sq.m. in its property development business (excluding the Group's interests in its three associated companies). Besides, the Group disposed a piece of land in Changsha and recognized revenue of HK\$1,638 million during the year. The Group's contracted sales for the year 2009 amounted to HK\$5,670 million, representing a y-o-y growth of 107%. As at 31 December 2009, the unrecognized contracted sales was about RMB 1,850 million.

For the first quarter of 2010, the Group's contracted sales was about a total GFA of 100,000 sq.m. Most of these sales will be recognized in 2010.

## **Property under Construction and Land Reserves**

During the year, The Group had 17 property projects under construction, with a total GFA of 1.74 million sq.m. The projects are in good progress. During the year, The Group acquired a piece of land in Chengdu, with an area of about 112,000 sq.m. or a total GFA of about 350,000 sq.m. The current attributable land reserves aggregate to a total GFA of 10 million sq.m. (excluding the interests in three associates), which is sufficient for development in coming five to six years.

## **Outlook**

In 2010, the Group believes that with the financial condition recovering to normal, the property price will not have a substantial growth emerged as in 2009, but will be fluctuated in ranges. On average, the market transaction volume of new properties in 2010 will be lower than that of 2009. The Group's annual sales target has been set at RMB 4.5 billion under a prudent principle.

The Group will continue its proactive sales strategy in enhancing property sales. Meanwhile, the Group will expand its land reserves through various channels, such as actively strengthening cooperation with the parent company and launching urban renewal plans, to refine the land reserve portfolio. The Group has a sound financial position, with HK\$6.4 billion cash in hand and a net gearing ratio of only 36.6%.

Nevertheless, Shenzhen Municipal Government announced the "City Renewal Ordinance" by the end of 2009, which offered an upgrade opportunity to a large number of old sites in prime regions of Shenzhen. The Group owns approximately 600,000 sq.m. GFA of investment properties at prime locations in Shenzhen, some of which meet the scope of urban renewal. The Group is under negotiation with the government to determine the scope and scale of the property transformation as soon as possible. The Group is confident to build its properties into a high-end product portfolio in future.

Mr. Guo concluded, "As a local developer in Shenzhen and Pearl River Delta, the Group will strengthen its operating capabilities, implement strict cost controls, focus on brand building and fully exploit the brand values of 'Shumyip Property' to generate higher value for shareholders."

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

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