

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

This announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Company's shares mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Company's shares will be made in the United States.



深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00604)

**PLACING OF EXISTING SHARES AND
SUBSCRIPTION FOR NEW SHARES
AND RESUMPTION OF TRADING**

Sole Placing Agent



Goldman Sachs (Asia) L.L.C.

On 4 August 2009, the Vendor, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Vendor has agreed to sell, or procure the sale of, and the Placing Agent has agreed as agent of the Vendor to procure places to purchase, or failing which itself as principal on a fully underwritten basis to purchase 300,000,000 existing Shares at the Placing Price of HK\$3.72 per Placing Share.

On 4 August 2009, the Vendor and the Company entered into the Subscription Agreement, pursuant to which the Vendor has conditionally agreed to subscribe, and the Company has conditionally agreed to allot and issue to the Vendor, 300,000,000 new Shares at the Placing Price (net of expenses (including commissions and other expenses) of the Placing and the subscription of the Subscription Shares) per Subscription Share.

The Vendor is the controlling shareholder of the Company and holds approximately 47.2% of the existing issued share capital of the Company as at the date of this announcement. The shareholding of the Vendor in the issued share capital of the Company upon completion of the Placing but before completion of the Subscription will be reduced from approximately 47.2% to approximately 37.9% and upon completion of the Placing and the Subscription will be increased from approximately 37.9% to approximately 43.2%. An application has been made by the Vendor to the Executive for the granting of a waiver from the general offer obligation that may otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Placing and the Subscription.

The gross proceeds from the Subscription are estimated to be approximately HK\$1,116.00 million. The net proceeds from the Subscription (after deduction of commission and expenses of the Placing) are estimated to be approximately HK\$1,097.77 million. Based on such estimated net proceeds, the net Placing Price is approximately HK\$3.66 per Placing Shares. At present, the Company intends to use the estimated net proceeds of the Subscription for general working capital.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 4 August 2009, pending the release of this announcement. Application has been made to the Stock Exchange for resumption of trading of the Shares with effect from 2:30 p.m. on 4 August 2009.

THE PLACING AGREEMENT

Date

4 August 2009

Parties

- (a) the Vendor, the controlling shareholder of the Company, which, as at the date of this announcement, holds 1,523,731,489 Shares, representing approximately 47.2% of the existing issued share capital of the Company (which comprised 3,226,495,090 Shares);

(b) the Company; and

(c) the Placing Agent.

The terms of the Placing were fixed by the parties on the date of signing of the Placing Agreement.

The Placing Shares

The Vendor will sell 300,000,000 existing Shares, which represent approximately 9.3% of the Company's existing issued share capital and 8.5% of the Company's issued share capital as enlarged by the Subscription.

Basis of the Placing

The Placing Agent will as agent of the Vendor procure placees to purchase, or failing which itself as principal on a fully underwritten basis to purchase the Placing Shares.

Placing Price

The Placing Price of HK\$3.72 per Placing Share represents:

- (i) a discount of approximately 6.8% to the closing price of HK\$3.99 per Share as quoted on the Stock Exchange on 3 August 2009 (being the last trading day prior to suspension of trading of the Shares pending release of this announcement); and
- (ii) a discount of approximately 5.1% to the average closing price of HK\$3.92 per Share as quoted on the Stock Exchange for the last 5 trading days up to and including 3 August 2009.

The Placing Price was arrived at after arm's length negotiations amongst the Company, the Vendor and the Placing Agent.

Rights attached to the Placing Shares

The Placing Shares will be sold free and clear of all liens, charges and encumbrances, claims, options and third party rights and together with all rights attaching thereto at the date of the Placing Agreement, including the right to receive all dividends declared, paid or made in respect thereof on or after the date of the Placing Agreement.

Independence of the Placing Agent and the placees

To the best of the knowledge, information and belief of the Directors and the directors of the Vendor, having made all reasonable enquiries, the Placing Agent and the placees to be procured by the Placing Agent and their respective ultimate beneficial owners are not connected persons of the Company within the meaning of the Listing Rules and are independent of and not connected with the Company or any of its connected persons within the meaning of the Listing Rules. The Placing Agent and the placees and their respective ultimate beneficial owners are independent of and not acting in concert with the Vendor and parties acting in concert with it.

It is expected that there will be not less than six independent professional, institutional and/or individual investors to be procured by the Placing Agent for the placing of the Placing Shares. So far as the Company is aware, the Placing will not result in any of the placees becoming a substantial shareholder of the Company after completion of Placing.

Conditions of the Placing

The obligation of the Placing Agent to proceed to completion of the Placing is conditional upon:

- (a) the Subscription Agreement having been entered into by the parties thereto;
- (b) the Placing Agent having received:
 - (i) from the Vendor and the Company certified board resolutions approving the Placing and the entering into of the Placing Agreement; and

- (ii) the Hong Kong and United States legal opinions, each in a form to the reasonable satisfaction to the Placing Agent addressing the matters in relation to the Vendor and the Placing Agreement, from the counsel to the Placing Agent and counsel to the Company and the Vendor, as the case may be;
- (c) there not having come to the attention of the Placing Agent at any time prior to completion of the Placing (i) any breach of, or any event rendering untrue, incorrect or breached in any material respect, any of the representations, warranties or undertakings referred to in the Placing Agreement; or (ii) any material breach of, or failure to perform, any of the other agreements, conditions and/or obligations of the Company and/or the Vendor which are required to be performed at or before completion of the Placing;
- (d) there not having come to the attention of the Placing Agent at any time prior to Completion (i) any change in local or international financial, political, military, economic or market (including stock market) conditions or currency exchange rates or exchange controls or (ii) any suspension of dealings in the Shares for any period whatsoever (even if such suspension is subsequently lifted prior to completion of the Placing) other than as a result of the Placing, or any cancellation of the listing of the Shares, on the Stock Exchange; or (iii) any adverse announcement, determination or ruling of any governmental or other regulatory body (including delay in approval of this announcement or any other relevant announcement by any relevant stock exchange), which would (in any case mentioned in (i), (ii) or (iii) above), in the opinion of the Placing Agent, prejudice materially the success of the Placing; and
- (e) there not having been imposed any moratorium, suspension or material restriction or trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to completion of the Placing.

If any of the above conditions have not been fulfilled or (alternatively) waived by the Placing Agent by completion of the Placing, the Placing Agreement and the respective obligations of the Vendor, the Company and the Placing Agent thereunder shall ipso facto cease and terminate at that time (or at such earlier time as the relevant condition shall have become incapable of fulfilment and the Placing Agent shall have determined not to waive fulfilment and notified the same to the Vendor) and no party shall be under any liability to any other

for costs, damages, charges, compensation or otherwise under the Placing Agreement, except (i) in relation to obligations, agreements and liabilities arising prior to such termination; (ii) that the Vendor shall remain liable for the payment of all costs and expenses already incurred or to be incurred in consequence of such termination; and (iii) that certain warranties and indemnities given by the Vendor and the Company under the Placing Agreement shall remain in full force and effect.

The Placing Agent also has the right exercisable at any time by notice in writing to the Vendor to terminate the Placing Agreement if any of the Placing Shares are not delivered on behalf of the Vendor in accordance with the Placing Agreement.

Completion of the Placing

Completion of the Placing shall take place by 11:00 a.m. on 6 August 2009 (or such other time and date as the Vendor and the Placing Agent shall agree).

Undertakings

The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing Agreement) from the date of the Placing Agreement and on or prior to the date being 90 days after the date of the Placing Agreement it will not and will procure that none of its nominees, companies controlled by it and/or trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agent) (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the new Shares to be issued under the Subscription Agreement but excluding the Placing Shares) or any interests therein or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above. For the avoidance of doubt, this undertaking does not restrict the Vendor or any of its nominees, companies controlled by it and/or trusts associated with it (whether individually or together and whether directly or indirectly) from purchasing any Shares.

In addition, the Company has undertaken to the Placing Agent that (except for (i) the new Shares to be allotted and issued to the subscribers named in the Subscription Agreement; (ii) any new Shares or options to be issued pursuant to any existing or previous employee share option schemes of the Company; (iii) any Shares or other securities or rights issued or granted to shareholders by way of bonus or under any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with its articles of association or on the exercise of rights existing at the date of the Placing Agreement) from the date of the Placing Agreement and on and prior to the date being 90 days after the date of the Placing Agreement; (iv) any Shares to be issued pursuant to any existing outstanding subscription warrants (if any); or (v) any Shares to be issued pursuant to any conversion of any existing outstanding convertible bonds (if any), it will not (without the prior written consent of the Placing Agent) (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transaction described in (a) above; or (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above.

THE SUBSCRIPTION AGREEMENT

Date

4 August 2009

Parties

(a) the Vendor; and

(b) the Company

Number of Subscription Shares

The Vendor has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue to the Vendor, 300,000,000 new Shares, which represent approximately 9.3% of the Company's existing issued share capital and 8.5% of the Company's issued share capital as enlarged by the Subscription.

Subscription price

The subscription price per Subscription Share is equivalent to the Placing Price of HK\$3.72 per Share.

The aggregate subscription price for the Subscription Shares shall be the aggregate of the price per Placing Share multiplied by the total number of the Subscription Shares, net of expenses (including commissions and other expenses) of the Placing and the subscription of the Subscription Shares payable by the Vendor. Accordingly, the net proceeds from the Subscription are estimated to be approximately HK\$1,097.77 million. This represents a net amount of approximately HK\$3.66 per Subscription Share payable by the Vendor to the Company.

Issue of the Subscription Shares under general mandate

The issue of the Subscription Shares will not be subject to Shareholders' approval and the Subscription Shares will be issued under the general mandate granted to the directors of the Company pursuant to the resolution of the shareholders of the Company passed at the annual general meeting of the Company on 3 June 2009. Under such general mandate, the Directors are allowed to allot and issue up to 643,467,018 new Shares, representing 20% of the issued share capital of the Company as at 3 June 2009. As at the date of this announcement, no Shares have been allotted and issued pursuant to such general mandate.

Ranking of the Subscription Shares

The Subscription Shares will rank *pari passu* in all respects with the Shares in issue at the date of allotment of the Subscription Shares and in particular will rank in full for all dividends and other distributions declared made or paid at any time after the date of allotment.

Conditions of the Subscription

The Subscription is conditional upon:

- (1) completion of the Placing under the Placing Agreement;
- (2) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares; and

- (3) the Executive of the SFC granting a waiver to the Vendor and its associates (and parties acting in concert with them) from their obligations, as a result of the subscription of the Subscription Shares, to make a general offer for all the issued Shares other than those already owned by them under Rule 26 of the Takeovers Code.

In the event that the conditions above are not fulfilled on or before the date which is the 14th day from the date of the Subscription Agreement (or such later date as may be agreed between the parties) then the Subscription Agreement and all rights and obligations thereunder will cease and terminate.

Completion of the Subscription

Completion of Subscription will take place at a time to be fixed between the parties and in any event within 48 hours following the date upon which the last of the conditions under the paragraph headed “Conditions of the Subscription” above in this announcement have been so satisfied provided that it shall take place on a date no later than the 14th day after the date of the Subscription Agreement or such other time and/or date as the Vendor and the Company may agree in writing.

CHANGES IN SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

The shareholding structure of the Company before and after the Placing and the Subscription is summarized as follows (*Note 1*):

	At the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of the Placing and the Subscription	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Vendor and parties acting in concert with it	1,523,731,489	47.2	1,223,731,489	37.9	1,523,731,489	43.2
Public Shareholders						
Placees (<i>Note 2</i>)	–	–	300,000,000	9.3	300,000,000	8.5
Other Shareholders	<u>1,702,763,601</u>	<u>52.8</u>	<u>1,702,763,601</u>	<u>52.8</u>	<u>1,702,763,601</u>	<u>48.3</u>
Total	<u><u>3,226,495,090</u></u>	<u><u>100.0</u></u>	<u><u>3,226,495,090</u></u>	<u><u>100.0</u></u>	<u><u>3,526,495,090</u></u>	<u><u>100.0</u></u>

Note 1: The table assumes that (i) no Shares will be issued by the Company between the date of this announcement and completion of the Placing and the Subscription other than the Subscription Shares; (ii) no Shares will be purchased by the Company; and (iii) no Shares will be purchased by the Vendor and parties acting in concert with it.

Note 2: Some placees of the Placing Shares may be existing Shareholders. Any existing holdings of placees are included under “Other Shareholders”. The Company currently anticipates that none of the placees will become a substantial Shareholder of the Company after completion of Placing.

As disclosed in the above shareholding table, immediately after completion of the Placing as well as immediately after completion of the Placing and the Subscription, a minimum of 25% of the then issued share capital of the Company will be in the public hands.

TAKEOVERS CODE IMPLICATIONS

As at the date of this announcement, the Vendor and parties acting in concert with it are interested in 1,523,731,489 Shares, representing approximately 47.2% of the existing issued share capital of the Company. The shareholding interest of the Vendor and parties acting in concert with it will decrease to approximately 37.9% upon completion of the Placing and will then increase to approximately 43.2% upon completion of the Subscription. Accordingly, the Vendor and parties acting in concert with it have an obligation to make a general offer for all the Shares (other than those already held by them) pursuant to Rule 26.1 of the Takeovers Code. The Vendor has applied to the Executive for a waiver in this respect pursuant to Note 6 on dispensation from Rule 26 of the Takeovers Code.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION

The Group is principally engaged in the business of property investment, property development and property management.

The Directors consider the Placing represents a favourable opportunity for the Company to raise capital whilst broadening the shareholder base and the capital base of the Company. The Placing and the Subscription are effected to raise funds for the long-term benefit of the Company. At present, the Company intends to use the estimated net proceeds of the Subscription of approximately HK\$1,097.77 million for general working capital.

GENERAL

The Company has not conducted any equity fund raising activity in the past 12 months immediately prior to the date of this announcement.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

At the request of the Company, trading in the Shares was suspended with effect from 9:30 a.m. on 4 August 2009, pending the release of this announcement. Application was made to the Stock Exchange for resumption of trading of the shares of the Company with effect from 2:30 p.m. on 4 August 2009.

DEFINITIONS

As used in this announcement, the following words and phrases have the same meanings assigned:

“acting in concert”	the meaning ascribed to in under the Takeovers Code
“Company”	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability and the securities of which are listed on the Stock Exchange
“CCASS”	Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
“Directors”	the directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placement of 300,000,000 existing Shares to independent places at the Placing Price
“Placing Agent”	Goldman Sachs (Asia) L.L.C.
“Placing Agreement”	the placing agreement dated 4 August 2009 and made amongst the Company, the Vendor and the Placing Agent
“Placing Price”	the placing price of HK\$3.72 per Placing Share
“Placing Shares”	300,000,000 existing Shares
“SFC”	the Securities and Futures Commission
“Shares”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 4 August 2009 and made between the Company and the Vendor
“Subscription Shares”	300,000,000 new Shares to be subscribed by the Vendor under the Subscription Agreement, which number equals the number of the Placing Shares
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Vendor”	Shum Yip Holdings Company Limited, the controlling shareholder of the Company and whose ultimate beneficial owner is 深業集團有限公司
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Shenzhen Investment Limited
Hu Aimin
Chairman

Hong Kong, 4 August 2009

As at the date of this announcement, the board of Directors comprises 8 Directors, of which Mr. Hu Aimin, Mr. Zhang Yijun, Mr. Zhao Gesheng and Mr. Liu Weijin are the executive Directors, Dr. Wu Jiesi is the non-executive Director and Mr. Wong Po Yan, Mr. Wu Wai Chung, Michael and Mr. Li Wai Keung are the independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.