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深圳控股有限公司
SHENZHEN INVESTMENT LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 00604)

FORMATION OF JOINT VENTURE

On 20 December 2013, Shum Yip Land, an indirectly wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with SZMC, pursuant to which, among other things, (1) Shum Yip Land agreed to purchase, and SZMC agreed to sell, 50% equity interest in the JV Company at an aggregate consideration of RMB156,000,000; and (2) Shum Yip Land on behalf of the JV Company will have to repay to SZMC for the JV Company RMB1,052,000,000, representing 50% of the land payment pre-paid by SZMC for the JV Company.

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules. Pursuant to Rule 14.04(1)(f) of the Listing Rules, the Equity Interest Transfer Agreement does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

I. BACKGROUND

On 20 December 2013, Shum Yip Land, an indirectly wholly-owned subsidiary of the Company, entered into the Equity Interest Transfer Agreement with SZMC, pursuant to which, among other things, Shum Yip Land agreed to purchase, and SZMC agreed to sell, 50% equity interest in the JV Company at an aggregate consideration of RMB156,000,000.

As at the date of this announcement, SZMC holds the entire interest in the JV Company. The JV Company was established on 12 August 2013 and has a registered capital of RMB100,000,000.

II. THE EQUITY INTEREST TRANSFER AGREEMENT

Date	:	20 December 2013
Parties	:	(i) Shum Yip Land, as buyer; and (ii) SZMC, as seller
Equity interest to be acquired	:	Pursuant to the Equity Interest Transfer Agreement, Shum Yip Land agreed to purchase 50% equity interest in the JV Company from SZMC.
Consideration and payment	:	The consideration is RMB156,000,000, which shall be paid by Shum Yip Land within 20 business days after the effective date of the Equity Interest Transfer Agreement (being 20 December 2013). It shall be financed by internal resources of the Group. The consideration was determined between Shum Yip Land and SZMC after arm's length negotiations with reference to the net asset value of the JV Company as ascertained by an independent valuer.
Other major terms	:	Shum Yip Land and SZMC will be responsible equally for the normal operational cost of the JV Company incurred from 30 September 2013 to the date of completion of registration of Shum Yip Land as a shareholder of the JV Company. Shum Yip Land on behalf of the JV Company will have to repay to SZMC for the JV Company: (i) RMB1,052,000,000, representing 50% of the land payment pre-paid by SZMC for the JV Company, by three instalments within one year after signing of the Equity Interest Transfer Agreement; and

(ii) 50% of the upfront payment for the development and construction of the Land incurred before 30 September 2013 paid by SZMC (including fees for the planning and design of the Land and land tax) and interests thereon within 15 days after Shum Yip Land obtained the equity interest in the JV Company.

Shum Yip Land and SZMC agreed to adopt the amended articles of the JV Company.

The capital contribution to be made to the JV Company (whether in the form of share capital, shareholder's loan or otherwise) shall be contributed by Sham Yip Land and SZMC pro rata to their respective shareholding in the JV Company.

Shum Yip Land and SZMC, in their capacity of the shareholder, will operate and manage the JV Company which will be responsible for development of the Land. The joint venture arrangement contemplated under the Equity Interest Transfer Agreement is a single purpose project which is of a revenue nature in the ordinary and usual course of business of the Company. The joint venture arrangement is on an arm's length basis and on normal commercial terms. The Equity Interest Transfer Agreement contains clause to the effect that the joint venture may not, without unanimous consent of Shum Yip Land and SZMC, change the nature or scope of its business and enter into any transactions which are not on an arm's length basis.

Shum Yip Land and SZMC proposed that the period for development of the Land is 4.5 years and the construction will start by the end of December 2013. It is also proposed that the sale of residential properties will begin in 2015 and the sale of remaining properties will be completed in 2017.

Shum Yip Land and SZMC shall not transfer their equity interest in the JV Company for 10 years from the date of being a shareholder of the JV Company. Upon of the expiration of the above restriction period, Shum Yip Land and SZMC can transfer their respective equity interest in the JV Company only with consents from the other shareholder, who shall have pre-emptive right to purchase the equity interests offered to be transferred on the same proposed terms.

III. ARTICLES OF THE JV COMPANY

The terms of operation of the JV Company shall be 30 years from the date of establishment.

The board of directors of the JV Company will comprise of 5 directors, 3 of whom will be appointed by SZMC and the remaining 2 of whom will be appointed by Shum Yip Land. The chairman of the board of directors of the JV Company, who shall also be the legal representative of the JV Company, shall be appointed by SZMC. The JV Company will have one general manager who will be appointed by Shum Yip Land.

The resolutions of the board of directors of the JV Company shall be passed by not less than four directors.

Dividend (if any) of the JV Company shall be distributed on a pro rata basis according to respective capital contribution percentage.

IV. INFORMATION ON THE LAND

The Land is situated at the south of Liuxian Road and the north of Pingnan Railway and located at northeast corner of Metro Line No. 5 (Huangzhong Line) Tanglang transport hub, Nanshan District, Shenzhen, the PRC（位於中國深圳市南山區，地鐵5號線（環中線）塘朗車輛段東北角，處於留仙大道南側、平南鐵路北側）, and the land lot number is T506-0016. The nature of the land use rights of the Land is residential, commercial and service facilities. The total site area is approximately 43,580 sq. m.. The term of the land use rights is 50 years, from 22 September 2011 to 21 September 2061.

The buildings to be constructed on the Land will have a total gross floor area of approximately 261,500 sq. m. based on the planned plot ratio of 6.00, of which approximately 56,000 sq. m. is for residential use, approximately 76,000 sq. m. is for serviced apartment, approximately 48,000 sq. m. is for commercial use, approximately 30,000 sq. m. is for hotel use, approximately 50,000 sq. m. is for office use and approximately 1,500 sq. m. is for service facility use, according to the current plan.

V. GENERAL INFORMATION

SZMC is a state-owned enterprise under Shenzhen State-Owned Assets Supervision and Administration Commission of Shenzhen Municipal Government. The principal business activities of SZMC are construction, development and operation of railway system in Shenzhen, property development and other services in relation to the railway system.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, SZMC and its ultimate beneficial owner are third parties independent of the Company and each of them is not a connected person of the Company.

VI. REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

The Group is principally engaged in property development, investment and management businesses. The Company's participation in the project through its indirect shareholding in the JV Company enhances its participation in the property development business. The Directors consider that the terms of the Equity Interest Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its shareholders as a whole.

VII. REGULATORY IMPLICATIONS

This announcement is made pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

Pursuant to 14.04(1)(f) of the Listing Rules, the Equity Interest Transfer Agreement does not constitute a notifiable transaction of the Company and is not subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules for the reasons below:

(i) the joint venture arrangement contemplated under the Equity Interest Transfer Agreement is to develop the Land, thus is engaging in a single purpose project which is of a revenue nature in the ordinary and usual course of business of the Company;

(ii) the joint venture arrangement is on an arm's length basis and on normal commercial terms; and

(iii) the Equity Interest Transfer Agreement contains clause to the effect that the joint venture may not, without its partners' unanimous consent, change the nature or scope of its business and/or enter into any transactions which are not on an arm's length basis.

VIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meaning:

"Board"	the board of Directors
"Company"	Shenzhen Investment Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00604)
"Directors"	the directors of the Company
"Equity Interest Transfer Agreement"	an equity interest transfer agreement dated 20 December 2013 and made between SZMC and Shum Yip Land
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"JV Company"	深圳市朗通房地產開發有限公司 (Shenzhen Langtong Property Development Co. Limited*), a company established in Shenzhen, PRC on 12 August 2013, currently wholly-owned by SZMC

"Land"	the piece or parcel of land situated at the south of Liuxian Road, the north of Pingnan Railway and located at northeast corner of Metro Line No. 5 (Huangzhong Line) Tanglang transport hub, Nanshan District, Shenzhen, the PRC (位於中國深圳市南山區，地鐵5號線（環中線）塘朗車輛段東北角，處於留仙大道南側、平南鐵路北側), and the land lot number is T506-0016
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time
"PRC"	the People's Republic of China, for the purposes of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shum Yip Land"	深業置地有限公司 (Shum Yip Land Company Limited*), a company established in the PRC as a domestic enterprise with limited liability and an indirect wholly-owned subsidiary of the Company
"sq. m."	square metre, a unit of area
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"SZMC"	深圳市地鐵集團有限公司 (Shenzhen Metro Group Co., Ltd.*), a state-owned enterprise under Shenzhen State-owned Assets Supervision and Administration Commission of Shenzhen Municipal Government
"%"	per cent

By Order of the Board
SHENZHEN INVESTMENT LIMITED
Lu Hua
Chairman

Hong Kong, 20 December 2013

As at the date of this announcement, the Board comprises 9 directors, of which Mr. LU Hua, Mr. GAO Shengyuan, Mr. MOU Yong and Mr. LIU Chong are the executive Directors, Dr. WU Jiesi and Mr. HUANG Yige are the non-executive Directors and Mr. WU Wai Chung, Michael, Mr. LI Wai Keung and Dr. WONG Yau Kar, David are the independent non-executive Directors.

* *The English translation is for identification purpose only.*