深圳國際控股有限公司
Shenzhen International Holdings Limited

Stock code: 0152.HK

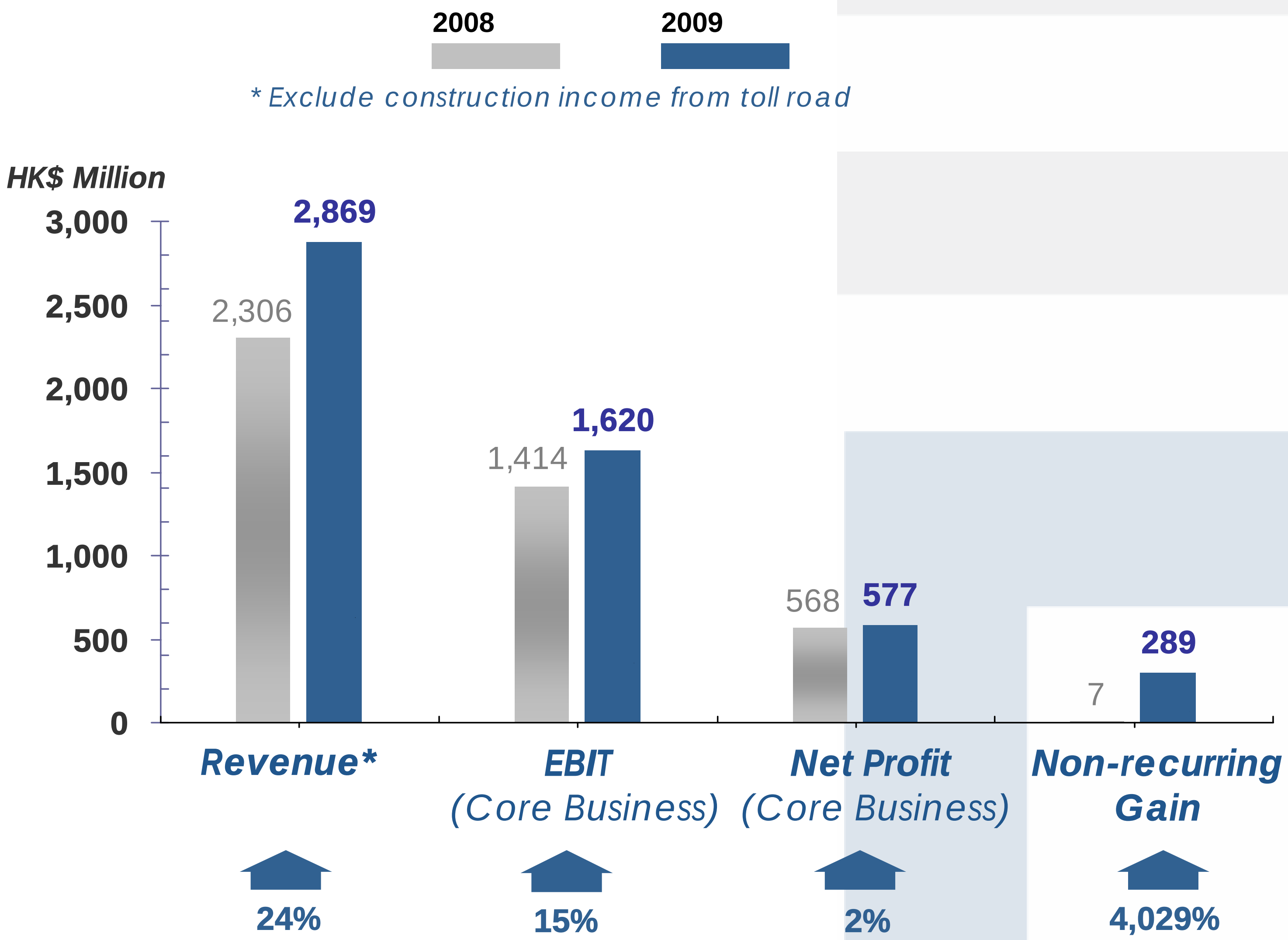
Annual Results 2009

Investors Presentation

24 March 2010

Shenzhen International
深國際

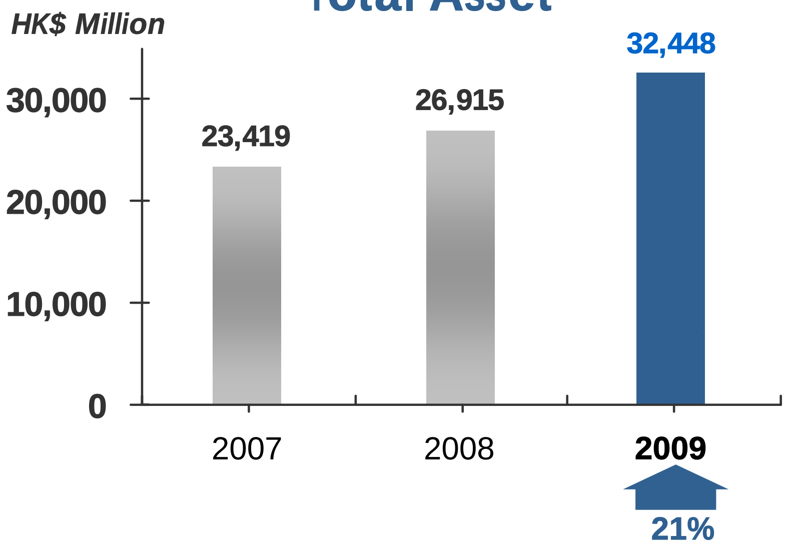
1. Results Highlights



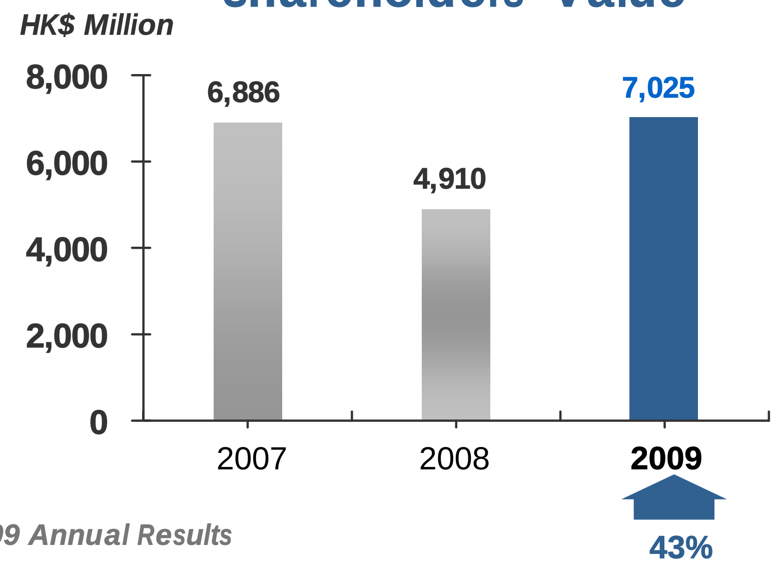
Shenzhen International 深國際

1. Results Highlights

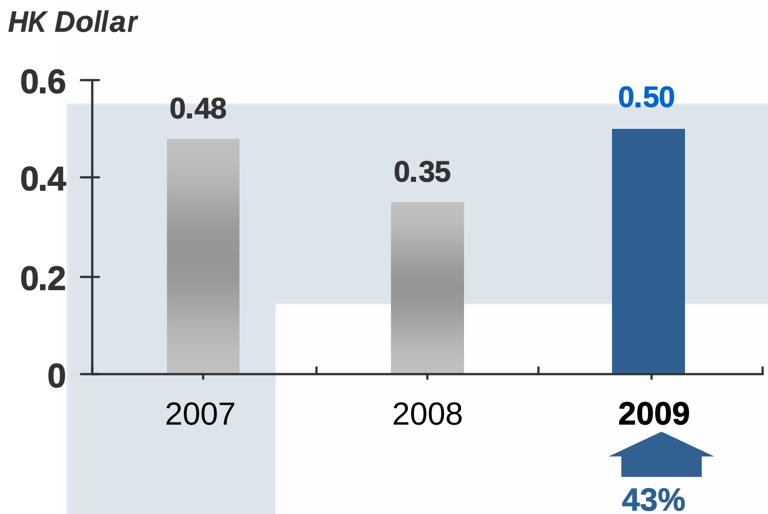
Total Asset



Shareholders' Value



Shareholders' Value Per Share



Shenzhen International
深國際

1. Results Highlights

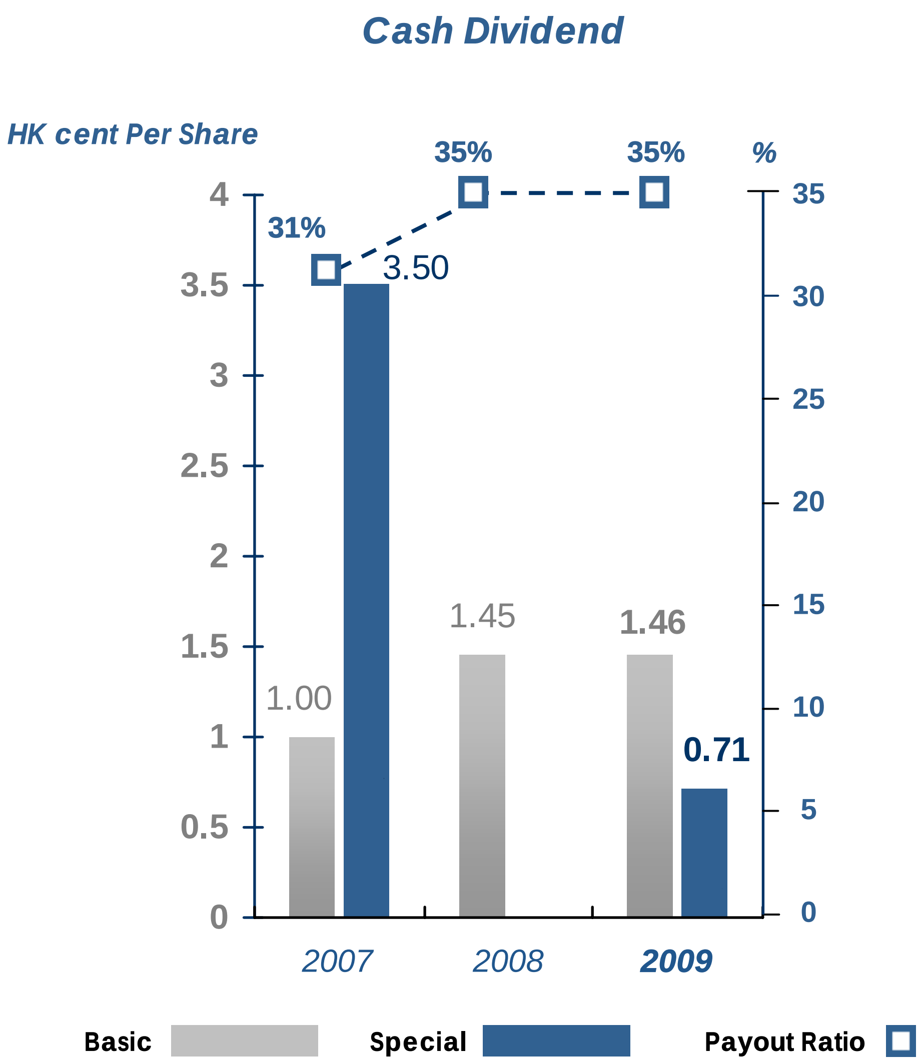
- **Group's revenue amounted to HK$4,081M (2008: HK$5,952M), down 31%; Exclude construction income, revenue was HK$2,869M (2008: HK$2,306M), up 24%.**
- **Net profit was HK$866M (2008: HK$575M), up 51%.**
- **Core business: EBITDA HK$2,181M, up 20%; EBIT HK$1,620M, up 15%.**
- **Core earnings HK$577M (2008: HK$568M), up 2%.**
- **Non-recurring Gain HK$289M (2008 : HK$7M):**

    CSG A Shares: Disposal gain HK$283M (2008: HK$28M)

- **Diluted EPS was HK cents 6.03 (2008: HK cents 4.04), up 49%.**
- **Shareholders' value per share HK$0.50 (2008: HK$0.35), up 43%.**

Shenzhen International
深國際

2. Dividend



- Basic cash dividend HK cent 1.46 per share
- Special cash dividend HK cent 0.71 per share (2008: Nil).
- Total cash dividend HK cents 2.17 per share or HK$307M (2008: HK$203M), ↑ 51%.
- 2009 Payout ratio 35%, same as 2008.

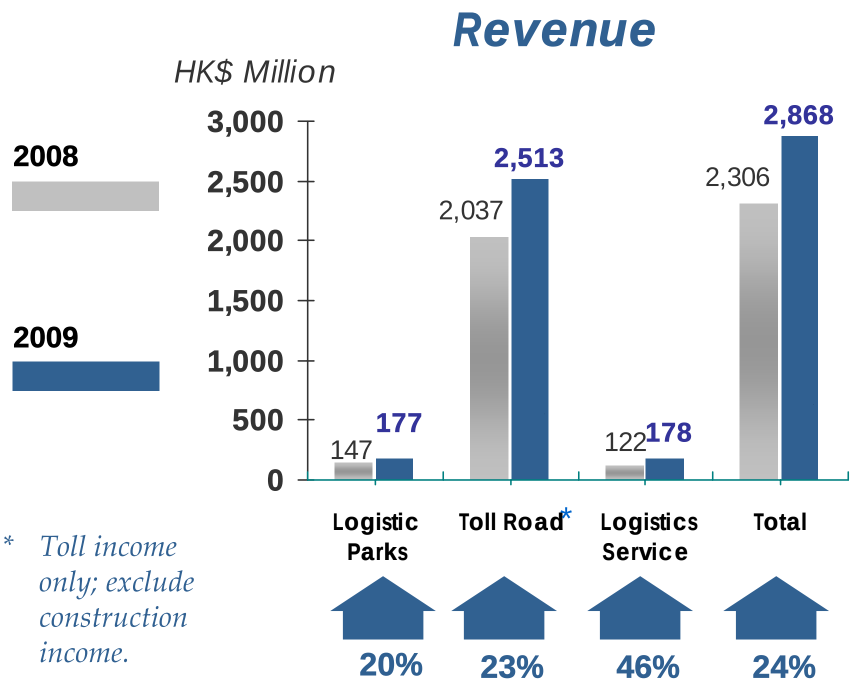
Shenzhen International
深國際

3. Business Overview

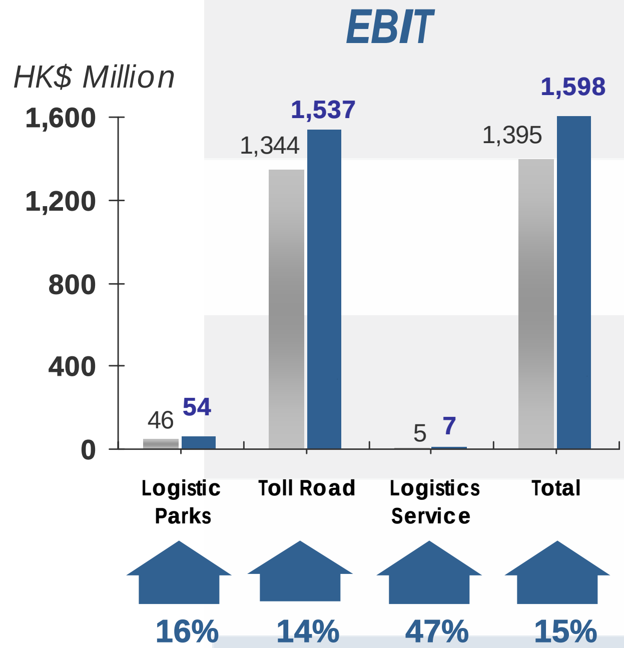
- **Difficult year for logistic industry**
- **China economy resumed moderate growth in 2H**
- **Export value down 13.9% in 2009, but has improved significantly from 1H decline of 23.5%**
- **Government policy inspired strong growth in private car ownership**
- **We maintained business growth by increased in scale**
  - *Toll Road projects & Logistic Park operating area*
  - *Revenue in 2H ↑ 39% vs 1H*
  - *But fixed costs increase caused GP% to decline*

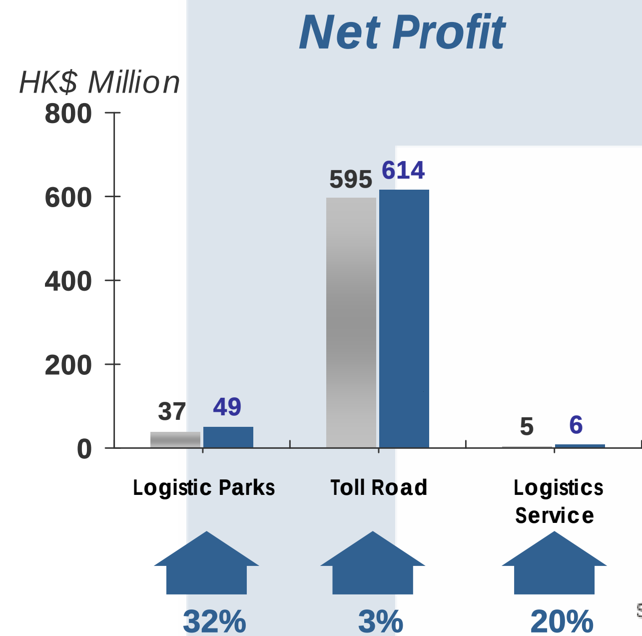
Shenzhen International
深國際

4. Core Business
- Revenue ↑24%; EBIT ↑15%



* *Toll income only; exclude construction income.*

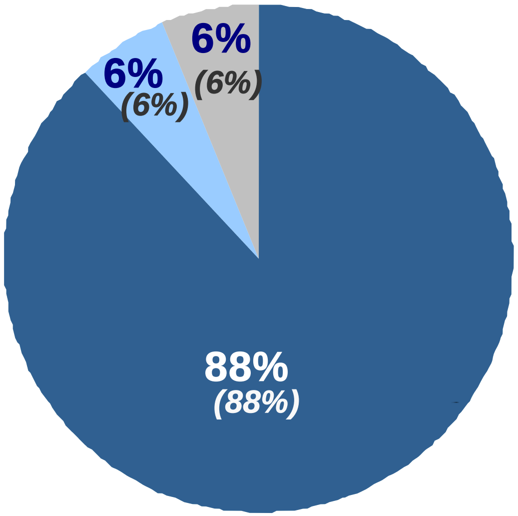




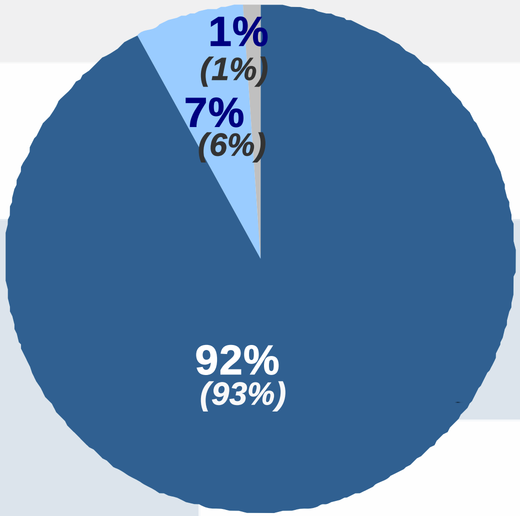
Shenzhen International
深國際

4. Core Business

Revenue Contribution 2009
(2008)



Net Profit Contribution 2009
(2008)



Toll Road   Logistic Park   Logistic Service

Shenzhen International
深國際

4. Core Business

YOY Growth	Whole Year	2H	1H
Net Profit	2%	12%	8%
Revenue	24%	36%	12%
EBIT	15%	23%	7%

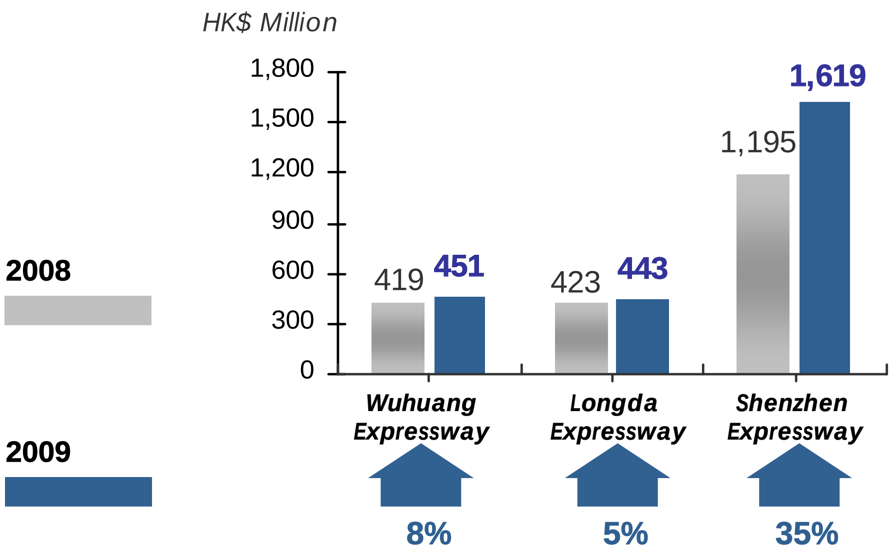
Revenue Growth (YOY)	Whole Year	2H	1H
Toll Road	23%	35%	10%
Logistic Park	20%	18%	22%
Logistic Service	46%	72%	22%
Overall	24%	36%	12%

EBIT Growth (YOY)	Whole Year	2H	1H
Toll Road	14%	22%	7%
Logistic Park	16%	32%	2%
Logistic Service	47%	70%	32%
Overall	15%	23%	7%

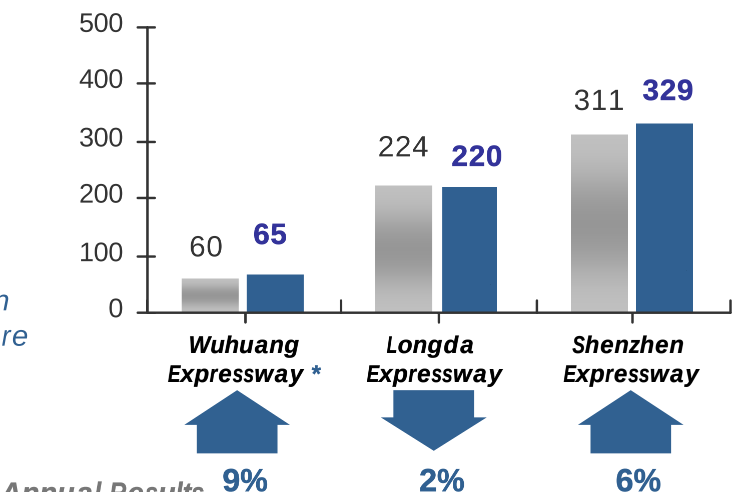
Shenzhen International
深國際

5. Toll Road

Toll Income



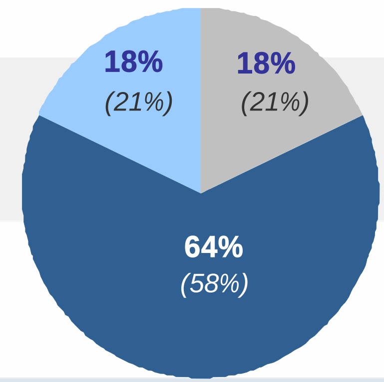
Net Profit



* Our own 45% share only

Toll income contribution 2009

(2008)



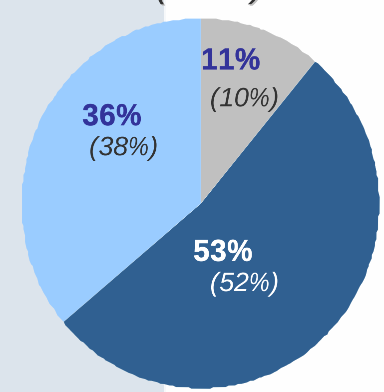
Longda Expressway

Wuhuang Expressway

Shenzhen Expressway

Net Profit contribution 2009

(2008)



Shenzhen International 深國際

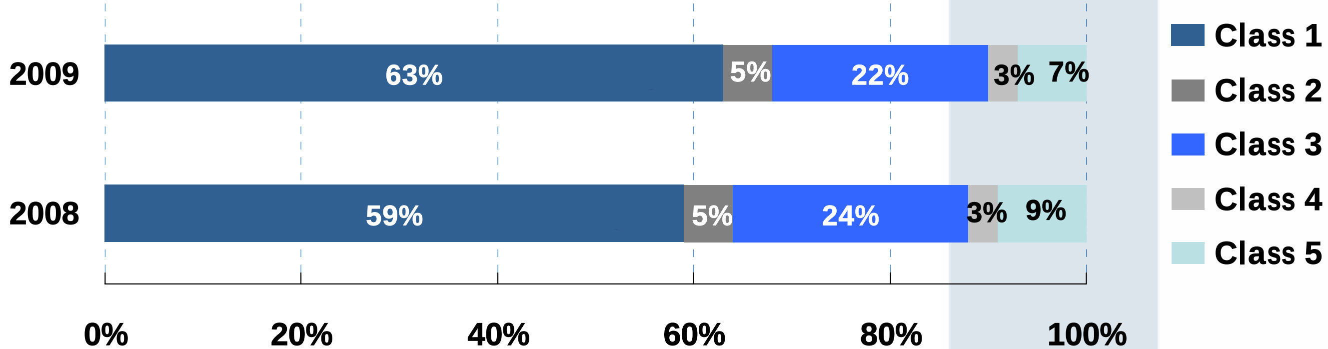
5.1 Toll Road
- Longda Expressway

- **Daily Average Revenue ("DAR") HK$1.21M; up 5%**
  Daily Mixed Traffic Volume ("DMTV") 57,420 vehicles; up 8%

- **Strong sign of recovery from 2009 2H**
  DAR (yoy): 1H Nil; 2H +10%
  DMTV (yoy): 1H +3%; 2H +14%

- **Strong growth continues in beginning of 2010**
  2 months to Feb: DAR HK$1.19M, up 24% yoy
  DMTV 57,270 vehicles, up 28% yoy

Vehicle Mix of Daily Traffic Volume

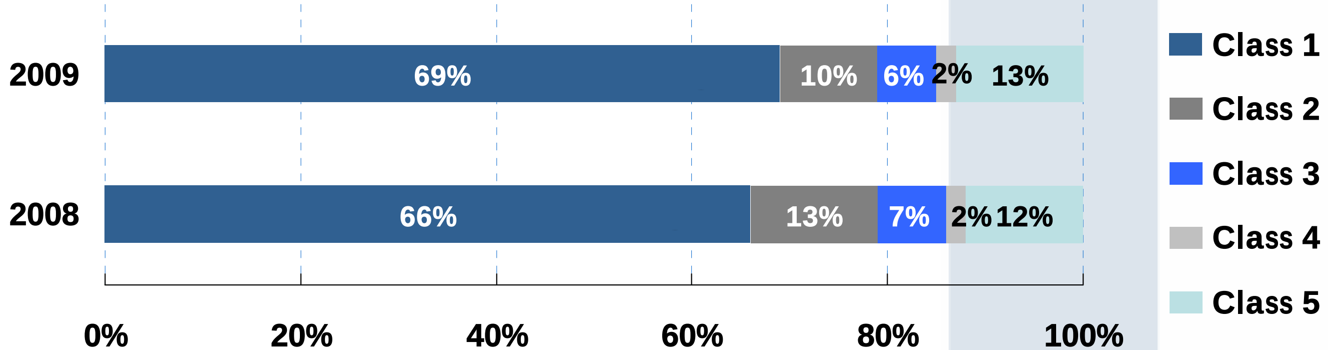


Shenzhen International
深國際

5.2 Toll Road
- Wuhuang Expressway

- DAR HK$1.24M, up 8%;
  DMTV 32,300 vehicles; up 11%.
- Hubei Province 2009 GDP Growth 13.2%; Wuhan City vehicle ownership grew 19%.
- Strong growth in beginning of 2010
  2 months to Feb: DAR HK$1.4M, up 20% yoy
  DMTV 38,700 vehicles, up 17% yoy

Vehicle Mix of Daily Traffic Volume



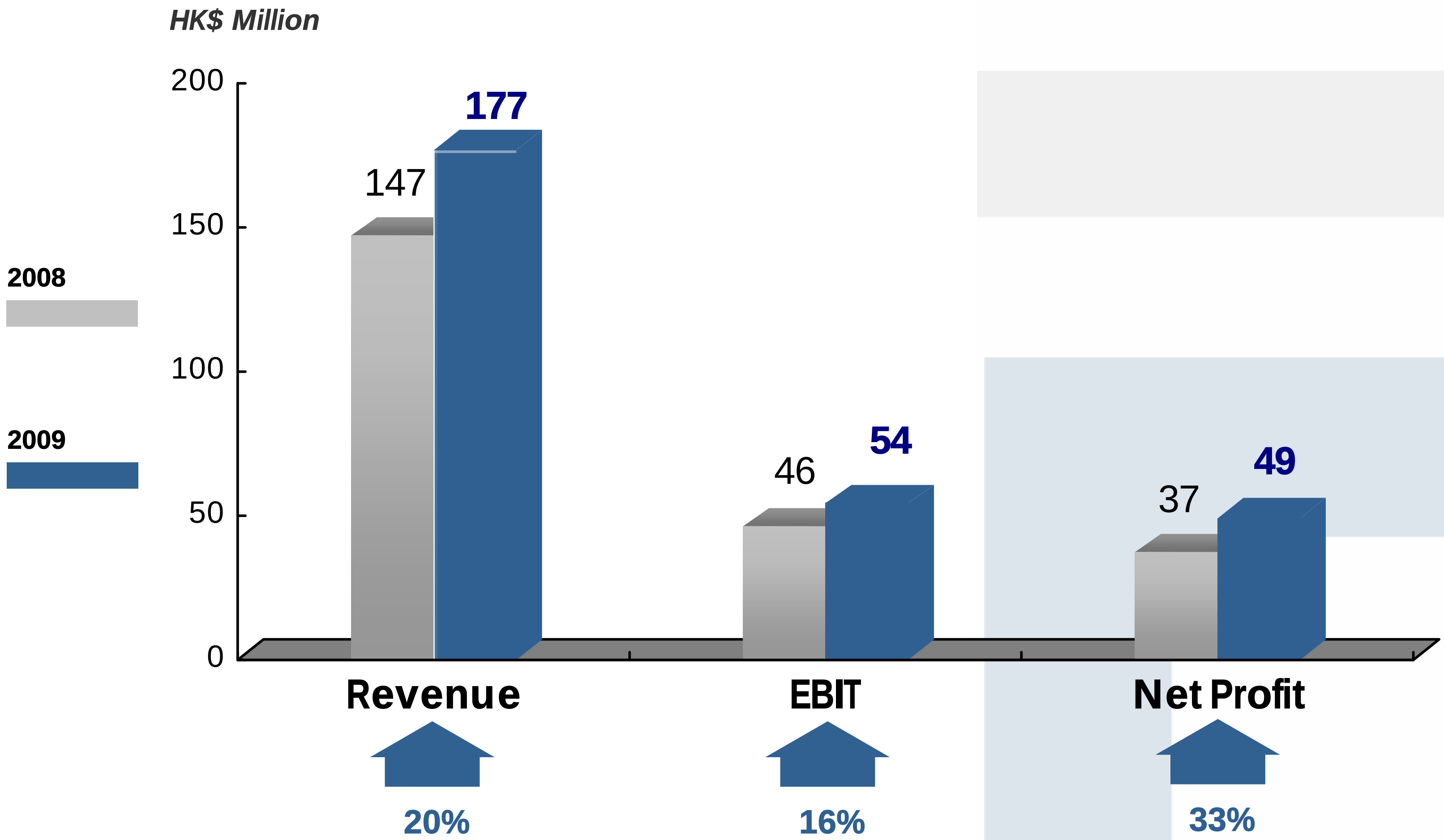
Shenzhen International
深國際

5.3 Toll Road
- Shenzhen Expressway

- Toll income grew by 35% as most toll roads experienced growth in revenue & traffic volume
- Qinglian Expressway is a key growth driver following expressway tariff collection from 1 July 2009
- Acquired 45% Shenzhen Airport-Heao Expressway (Eastern Section) to become 100%
- Debt ratio 60% (2008: 57.6%); Net Gearing 102.8% (2008: 96.8%)
- Capex will slow down in next 3 years

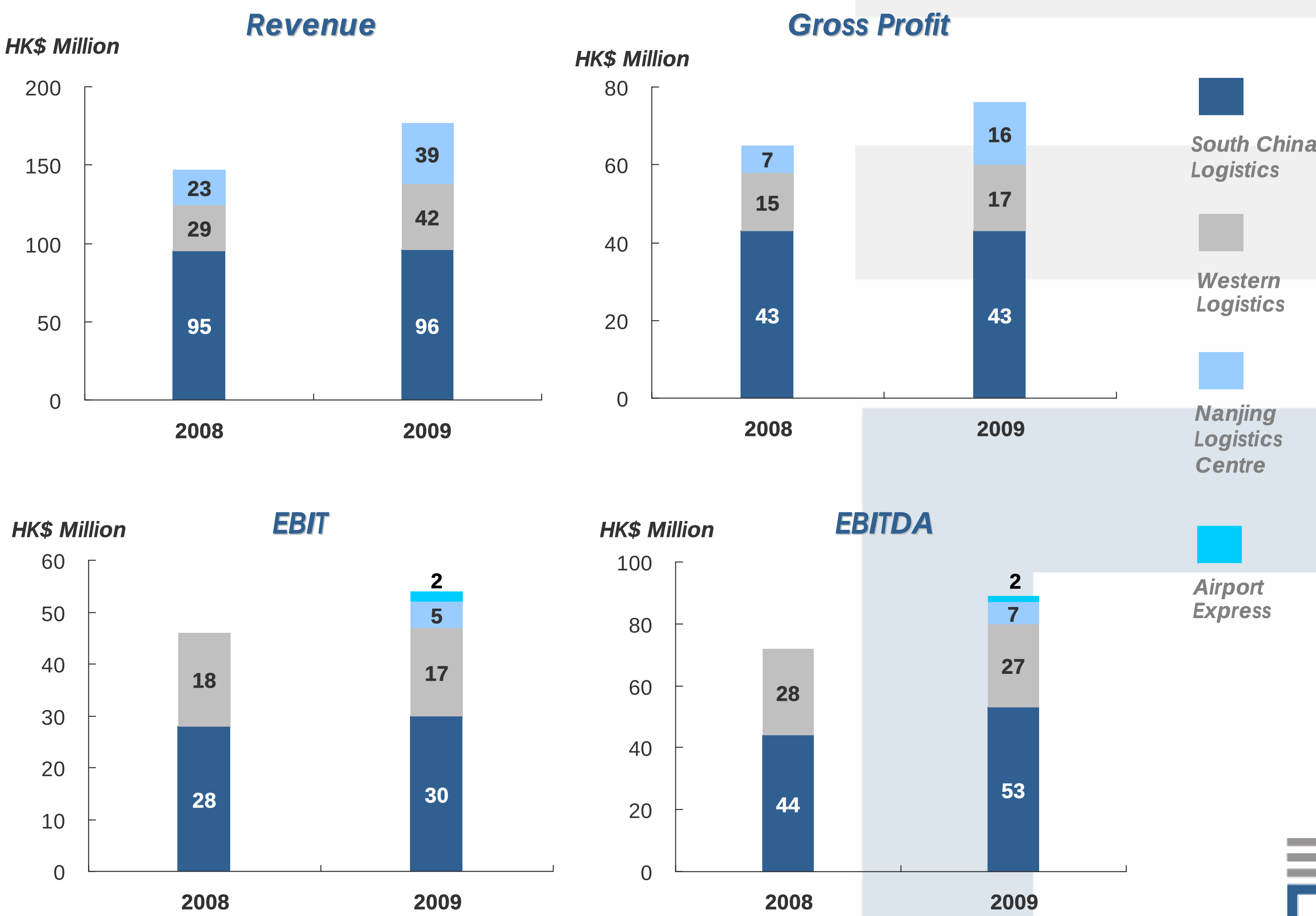
Shenzhen International
深國際

6. Logistic Park



Shenzhen International
深國際

6. Logistic Park



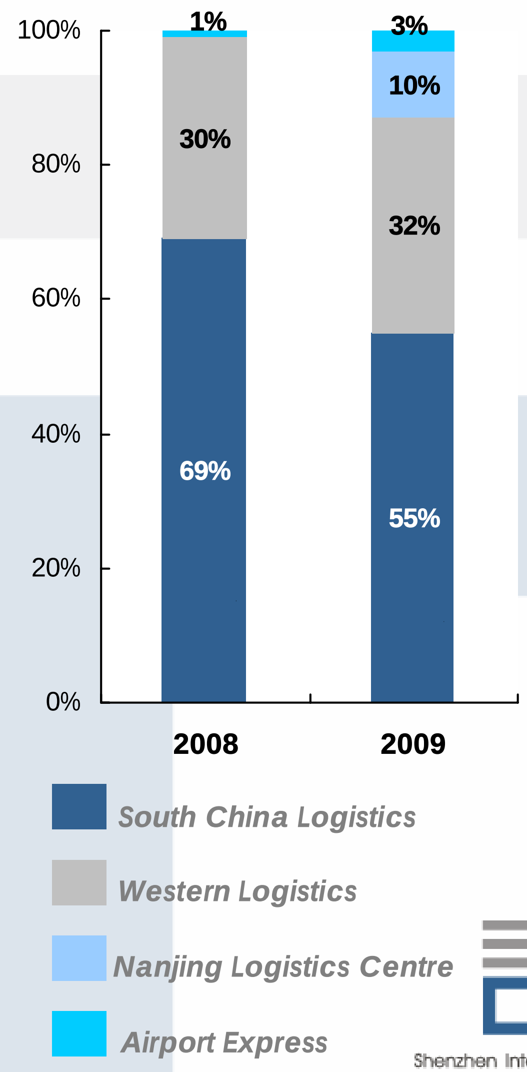
Shenzhen International
深國際

6. Logistic Park

- **Logistic Centre operating area increased 155,000m² to 335,000m²**
- **New land use tax impact has reduced following adjustment on tax charges**
  - South China Logistics: RMB 9/m² to RMB 5/m² p.a; HK$3.3M p.a.
  - Western Logistics: RMB 13/m² to RMB 9/m² p.a; HK$4.1M p.a.
- **New land acquisition by South China Logistics**
  1) Doubled 1st phase land area plot ratio: GFA increased 141,000m² at land premium RMB 18M.
  2) Acquired 2nd phase land area 77,000m²: GFA 120,900m² at land premium RMB 32.7M.

  ➡ **GFA increased 261,900m² to 400,000m² at cost of RMB 50.7M or RMB 195/m²**
- **Net Profit HK$49M, up 33%.**

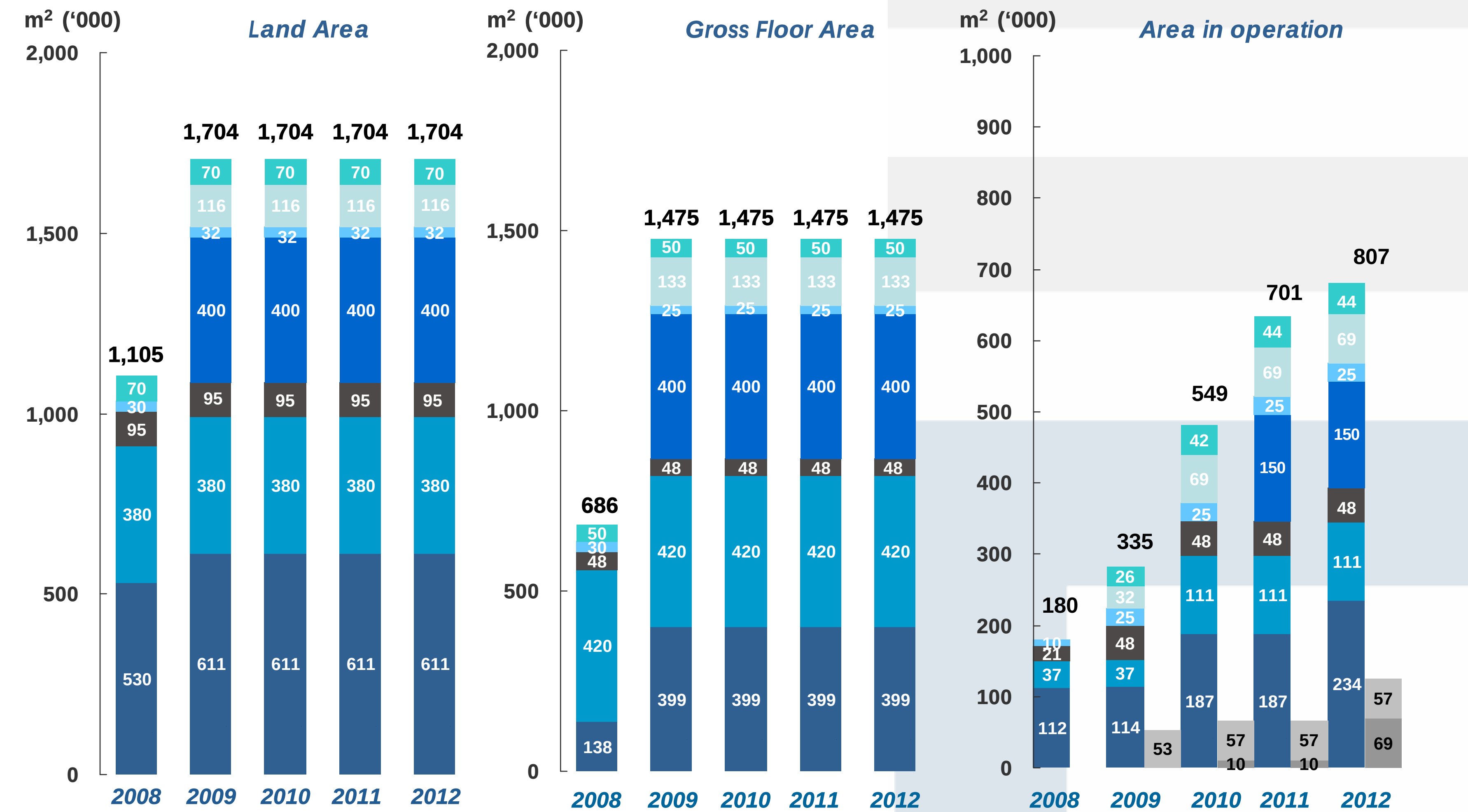
Net Profit Contribution



Shenzhen International 深國際

6. Logistic Park

Note: 2010-2012 figures are management estimates



Logistic Centre

- Shenzhen South China Logistics
- Shenzhen Western Logistics
- Nanjing Chemical Industrial Park Logistic Centre
- Nanjing Xiba Port Project
- Airport Express Centre
- Shenzhen HTY Logistic Centre
- Yantai Bonded Logistic Centre

Commercial Building

- *Shenzhen South China Logistics*
- *Shenzhen HTY Logistic Centre*

Shenzhen International
深國際

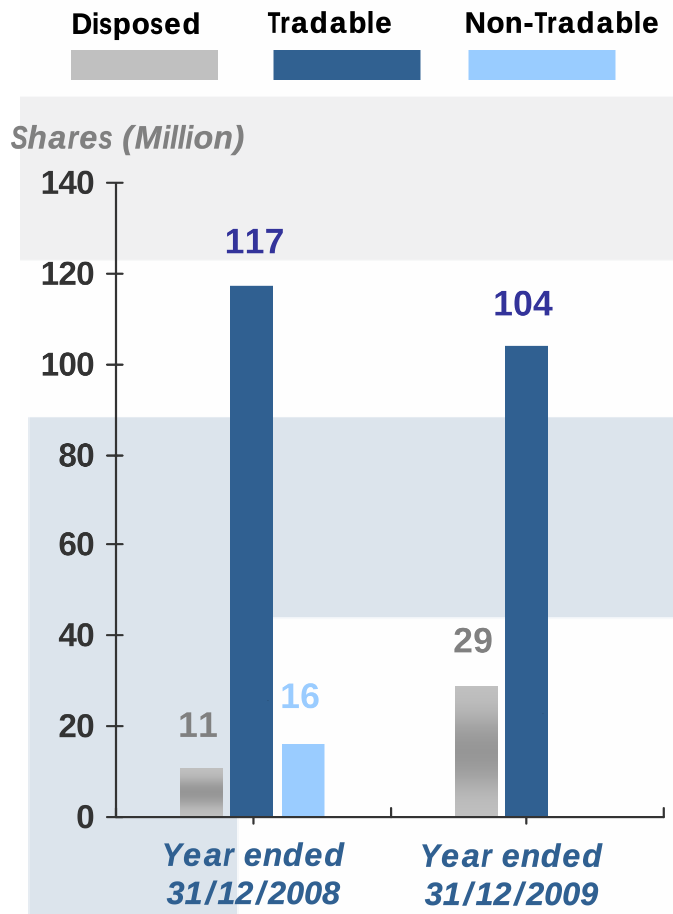
7. Port – Nanjing Xiba Port

- **Phase 1 construction of two 50,000 tons bulk and general terminals completed in end 2009**
- **Current annual handling capacity 7M tons, extendable to 9M tons**
  - Dry bulk cargo within Nanjing Chemical Industrial Park
  - Import of iron ore and transhipment of coal
- **Phase 1 investment cost RMB 800M; expect to have 8% saving**
- **Trial operation to commence in 2Q 2010**
  - Target operating scale 3M tons and strive to breakeven in 2010

Shenzhen International
深國際

8.1 Other Business – CSG A Shares

- **Divestment of CSG A shares continues.**
- **Disposed 29.3M shares in 2009 at average price of HK$18.34 (RMB16.16) per share, realised cash RMB474M; Net Profit HK$283M.**
- **Disposed another 4.7M shares at HK$22.71 (RMB 19.97) per share in Jan and Feb 2010.**
- **All current shareholdings effectively use HK$2.21 per share as cost for calculating future disposal gain.**



Shenzhen International 深國際

8.2 Other Business – Shenzhen Airlines

- **Subscribed additional capital of Shenzhen Airlines for RMB348M cash in March 2010**
- **Capital injection based on valuation of NAV RMB603M as at 31 Dec 2009**
- **Equity interest increased from 10% to 25% at total cost HK$434M**
- **Air China (51%) becomes new controlling shareholder**
- **Core business & earnings of Shenzhen Airlines are sound**

RMB 'Million (Extract from unaudited financial statements prepared under HKFRS)	**2007**	**2008**	**2009**
Operating Revenue	8,249	10,489	12,046
Net profit/(loss)	(1,820)	70	(869)
Impairment loss	(2,135)	(1)	(1,100)
Net Profit before impairment loss	315	71	231
Shareholders' deficits	(993)	(988)	(1,803)
Accumulated impairment loss	(2,135)	(2,136)	(3,236)
Shareholders' fund before accumulated impairment loss	1,142	1,148	1,433

- **Domestic airlines industry shows promising sign of recovery and expect another new cycle of growth**
- **25% holding enable us to increase recurring profits from SZ Airlines operation**
- **A valuable investment opportunity that can enhance our shareholders' value.**

Shenzhen International 深國際

9. Financial Position

	Group			Excl. Shenzhen Expressway#		
	2009 HK$ million	2008 HK$ million	Increase / (Decrease)	**2009 HK$ million**	2008 HK$ million	Increase / (Decrease)
Total Assets	***32,448***	*26,915*	*21%*	***11,586***	*10,249*	*13%*
Total Equity	***12,720***	*9,883*	*29%*	***6,857***	*5,256*	*30%*
NAV attributable to shareholders	***7,025***	*4,910*	*43%*	***7,041***	*5,081*	*39%*
Shareholders' NAV Per Share (HK$)	***0.50***	*0.35*	*43%*	***0.50***	*0.35*	*43%*
Cash and Cash Equivalents	***1,683***	*2,061*	*(18%)*	***562***	*1,255*	*(55%)*
Bank Borrowings	***10,751***	*8,346*	*29%*	***1,869***	*1,497*	*25%*
Debt Instruments - CB	***3,203***	*3,067*	*4%*	***1,776***	*1,707*	*4%*
- Bond	***899***	*898*	-	**-**	-	*N/A*
- Others	***39***	-	*N/A*	***39***	-	*N/A*
Total Borrowings	***14,892***	*12,311*	*21%*	***3,684***	*3,204*	*15%*
Net Borrowings	***13,209***	*10,250*	*29%*	***3,122***	*1,949*	*60%*
Debt Asset Ratio (Total Liabilities / Total Assets)	***61%***	*63%*	*(2%)**	***41%***	*49%*	*(8%)**
Total Borrowings / Total Assets	***46%***	*46%*	-	***32%***	*31%*	*1%**
Ratio of Net Borrowings to Total Equity	***104%***	*104%*	-	***46%***	*37%*	*9%**

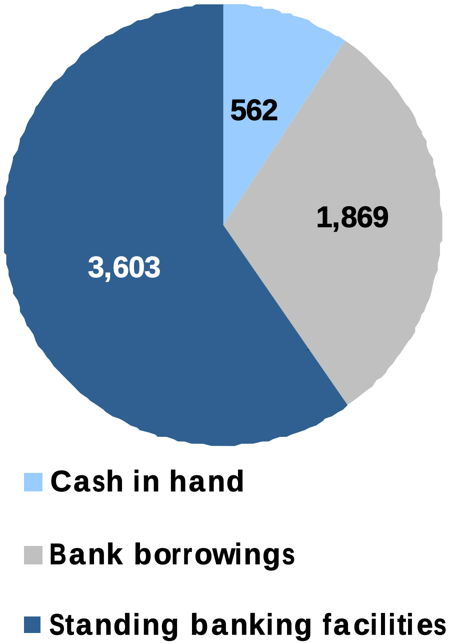
 # Excluded consolidation of SZ Expressway & use equity accounting. Figures are unaudited and for reference only.

**** Change in percentage point***

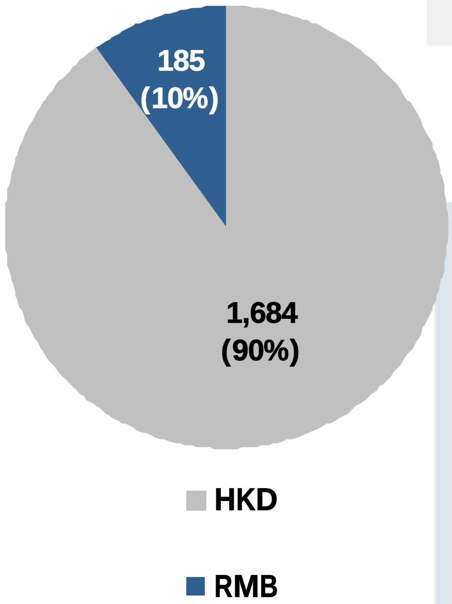
Shenzhen International
深國際

9. Financial Position

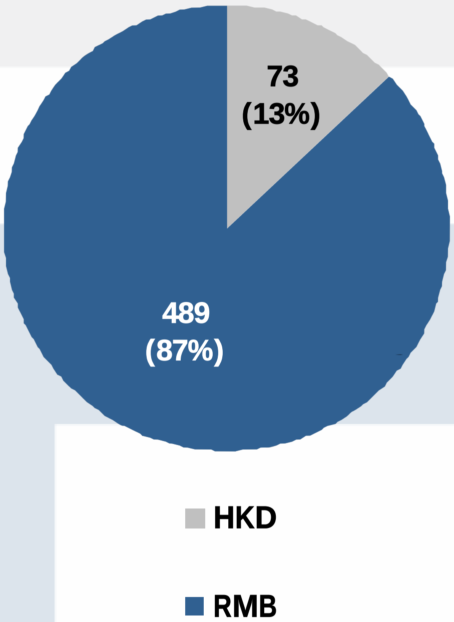
Cash & Banking Facilities
(HK$ million)



Bank Borrowings in currency
(HK$ million)



Cash & Cash Equivalents in currency
(HK$ million)



** All figures above exclude Shenzhen Expressway*

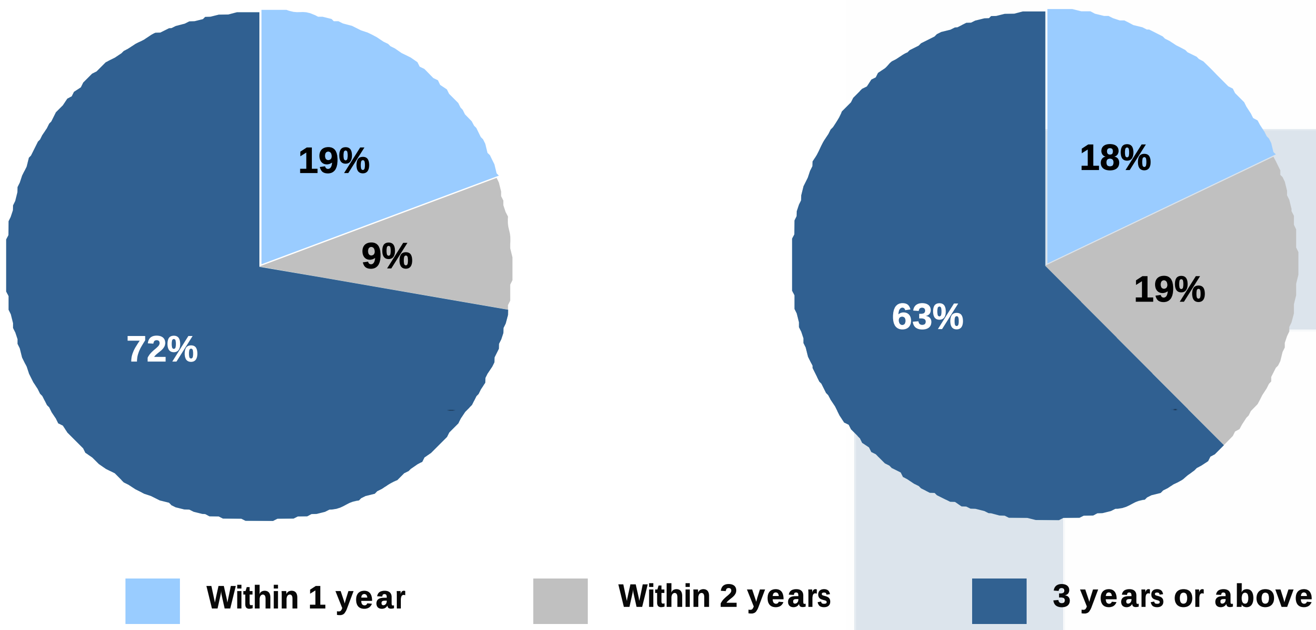
Shenzhen International
深國際

9. Financial Position

Bank borrowings repayment period

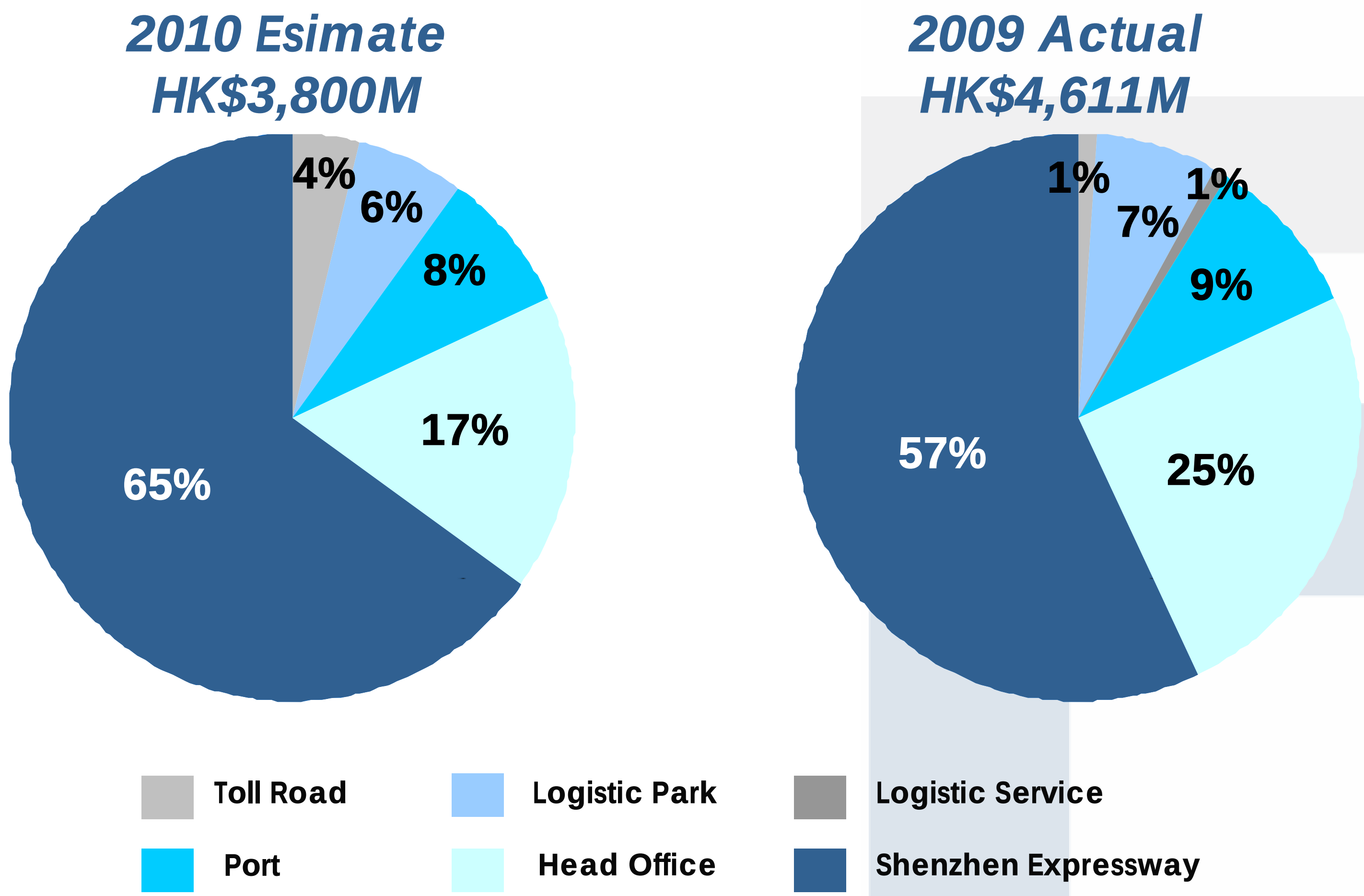
Group
HK$10,751M

Exclude Shenzhen Expressway
HK$1,869M



Shenzhen International
深國際

10. 2010 Capex – HK$3,800M (RMB3,340M)



Shenzhen International 深國際

11. Outlook

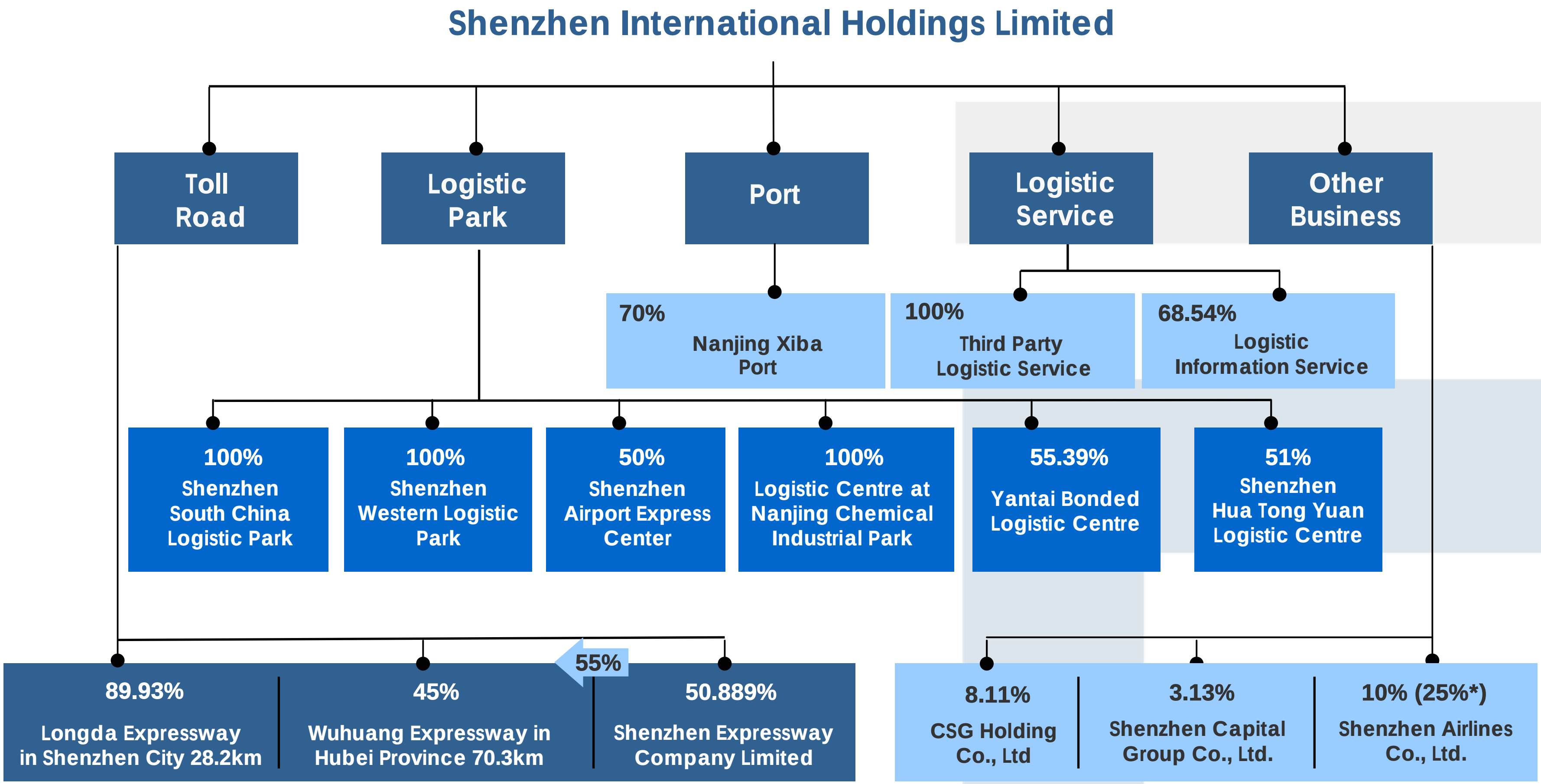
- Export activities will resume growth in 2010
- Government policies on logistic industry will increase market demand
- Logistic industry shall recover in a steady pace
- Toll road business continue to enjoy traffic volume growth from macro economic & car ownership growth
- Strong challenge in our costs
  - *Fixed costs outweigh revenue from new business*
  - *Interest costs*

Shenzhen International
深國際

Appendix

Shenzhen International
深國際

Appendix i
Corporate Chart



** Subject to completion of capital injection*

Appendix ii
Income Statement

HK$ Million	**2009**	*2008*	*% Change*
Revenue	***4,081***	*5,952*	*(31)*
Cost of sales	***(2,636)***	*(4,666)*	*(44)*
Gross profit	***1,445***	*1,286*	*12*
Other gains – net	***392***	*160*	*145*
Other income	***86***	*105*	*(18)*
Distribution costs	***(23)***	*(22)*	*5*
Administrative expenses	***(201)***	*(214)*	*(6)*
Other operating expenses	***(11)***	*(1)*	*1,000*
Operating profit	***1,688***	*1,314*	*28*
Share of profit of jointly controlled entities	***205***	*244*	*(16)*
Share of profit/(loss) of associates	***92***	*(17)*	*641*
Profit before finance costs and tax	***1,985***	*1,541*	*24*
Finance costs – net	***(541)***	*(384)*	*41*
Profit before income tax	***1,444***	*1,157*	*25*
Income tax expense	***(267)***	*(190)*	*41*
Profit for the year	***1,177***	*967*	*22*
Minority interest	***311***	*392*	*(21)*
Net profit attributable to Shareholder	***866***	*575*	*51*
Diluted EPS (HK cents per share)	***6.03***	*4.04*	*49*

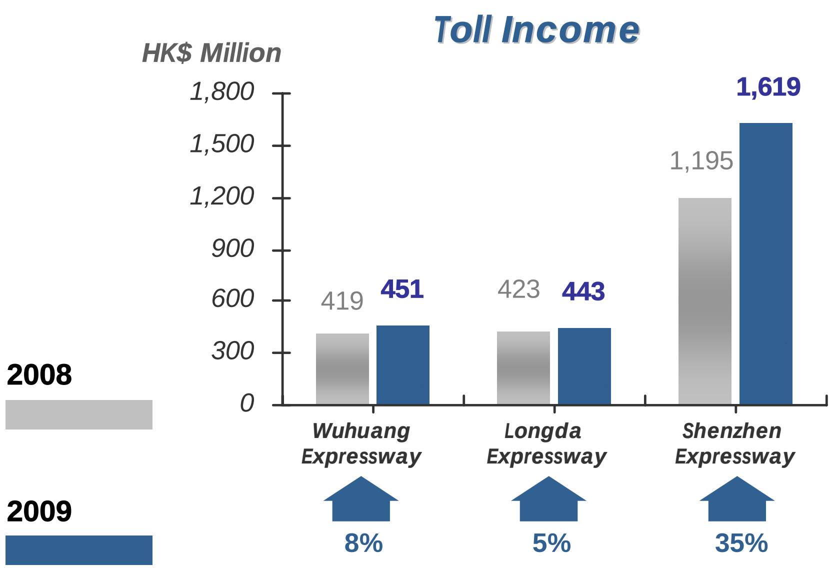
Shenzhen International
深國際

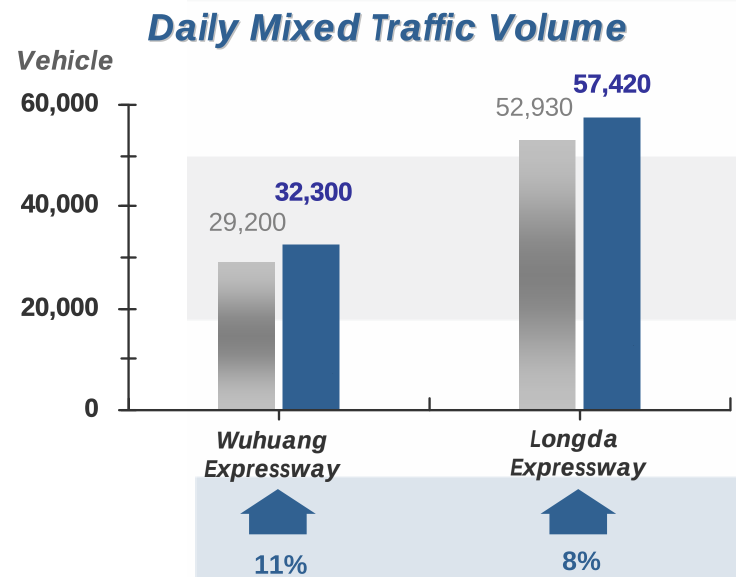
Appendix iii
Segment Results

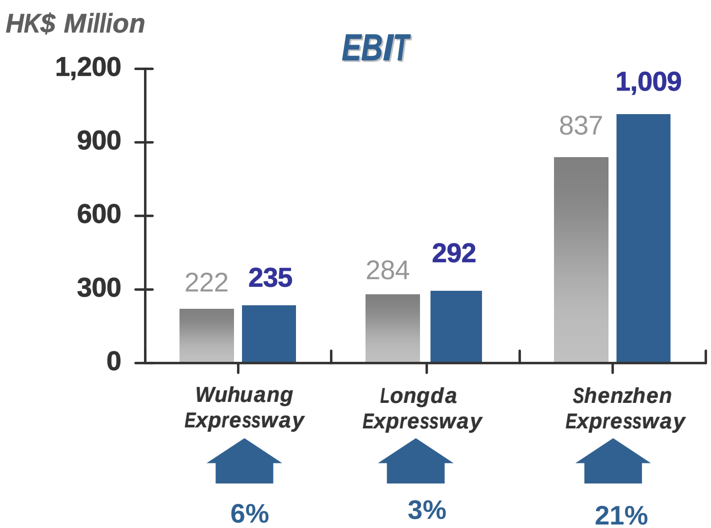
HK$ Million	Revenue		Operating profit/(loss)		Share of results of associates & JVs		EBIT	
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008
Toll Road								
Toll income	**2,513**	2,037	**1,241**	1,120	**295**	222	**1,536**	1,342
Construction income	**1,212**	3,646	**1**	2	**-**	-	**1**	2
	3,725	5,683	**1,242**	1,122	**295**	222	**1,537**	1,344
Logistic Park	**177**	147	**51**	47	**2**	(1)	**53**	46
Logistic Service	**178**	122	**7**	(1)	**-**	6	**7**	5
	4,080	5,952	**1,300**	1,168	**297**	227	**1,597**	1,395
Head office	**1**	-	**388**	146	**-**	-	**388**	146
	4,081	5,952	**1,688**	1,314	**297**	227	**1,985**	1,541
Finance income							**28**	62
Finance costs							**(569)**	(446)
Finance costs - net							**(541)**	(384)
Profit before income tax & MI							**1,444**	1,157

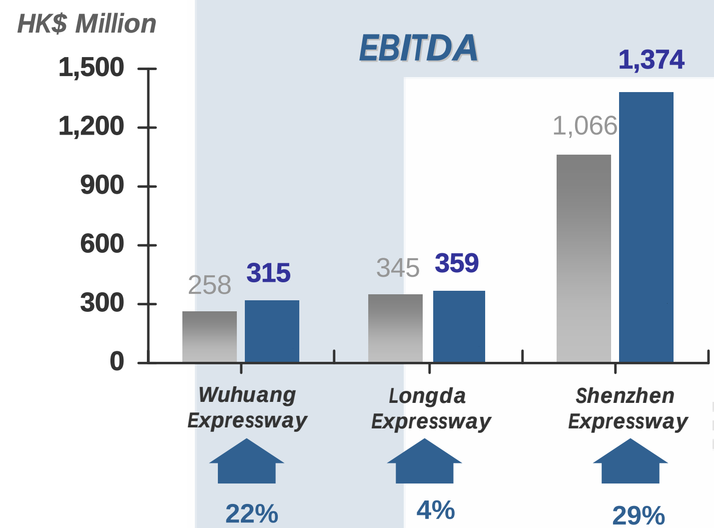
Shenzhen International
深國際

Appendix iv
Toll Road





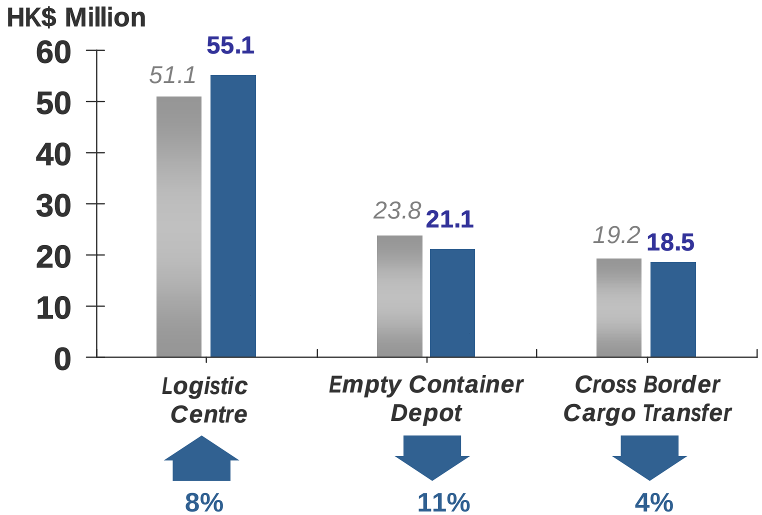




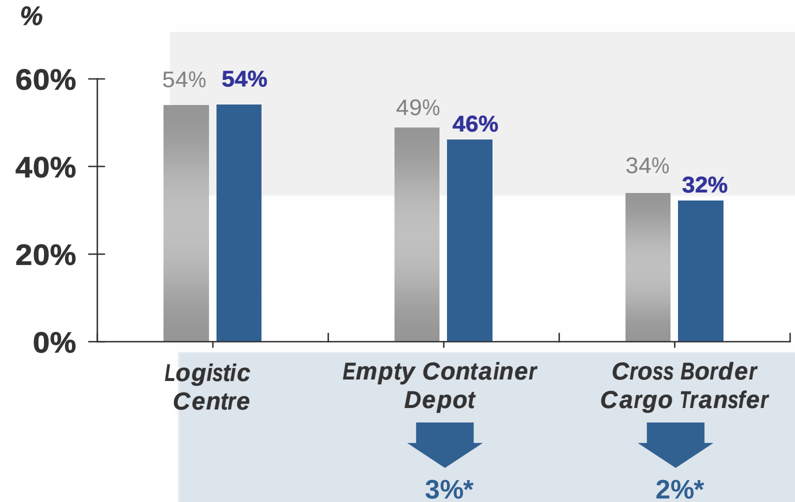
Shenzhen International
深國際

Appendix v(a)
Logistic Park – South China Logistics

Revenue

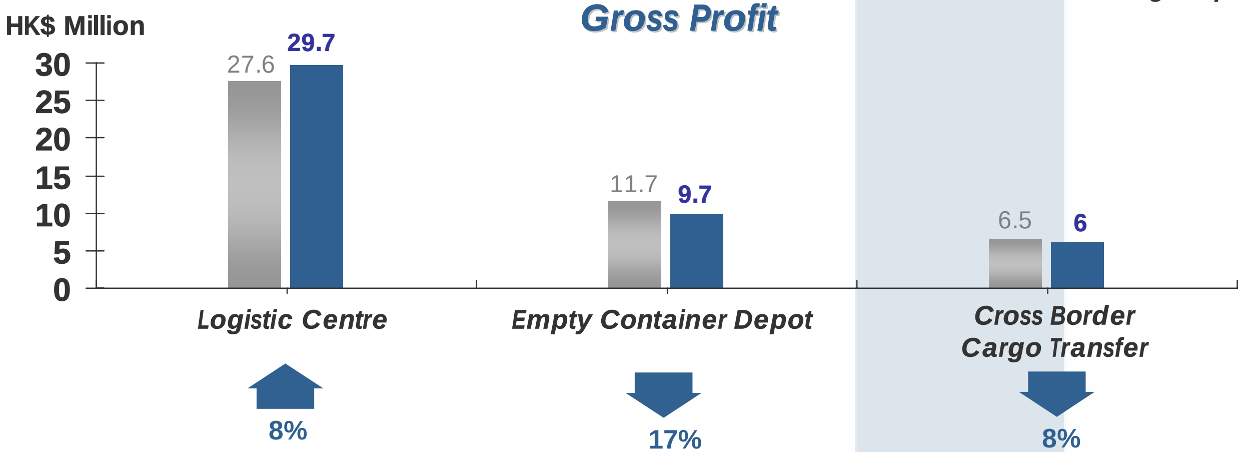


Gross Profit %



** Change in percentage point*

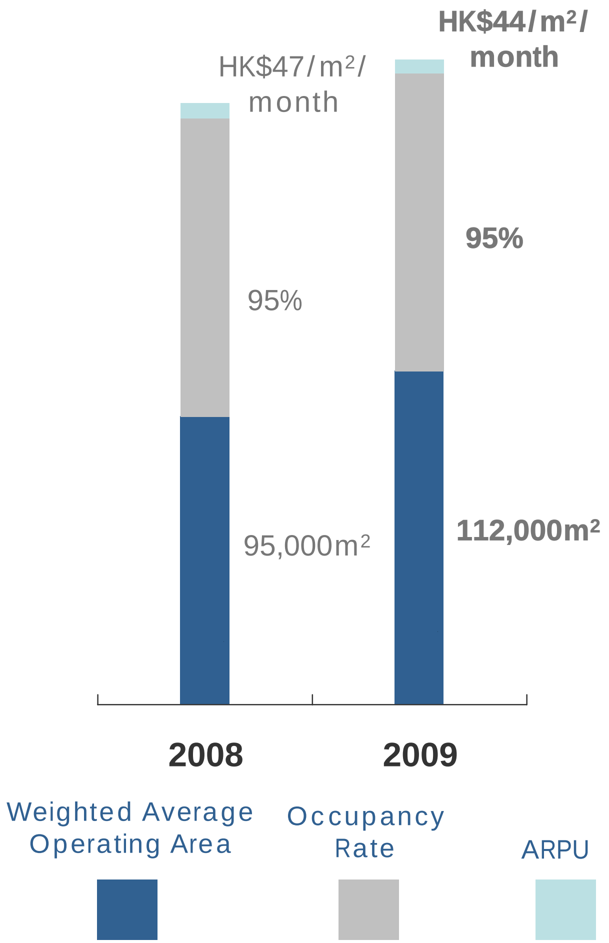
Gross Profit



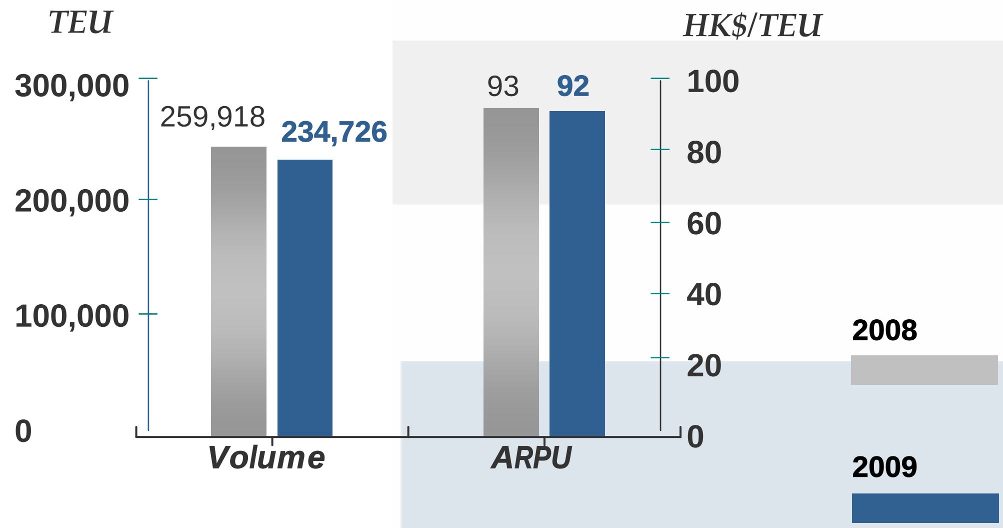
Shenzhen International 深國際

Appendix v(b)
Logistic Park – South China Logistics

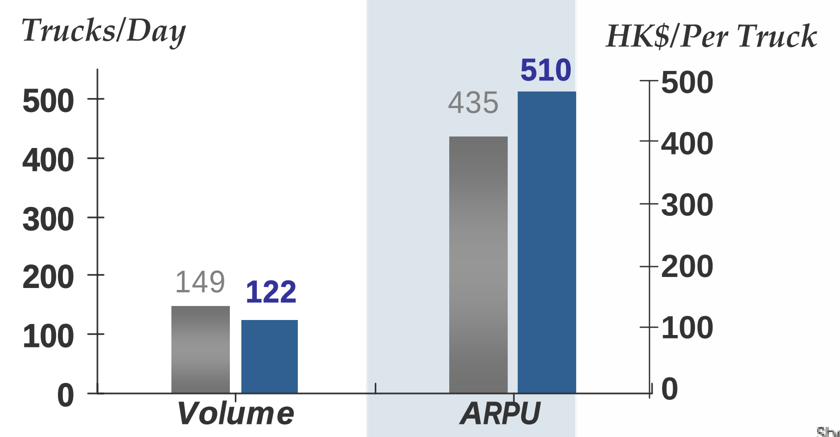
Logistic Centre



Empty Container Depot



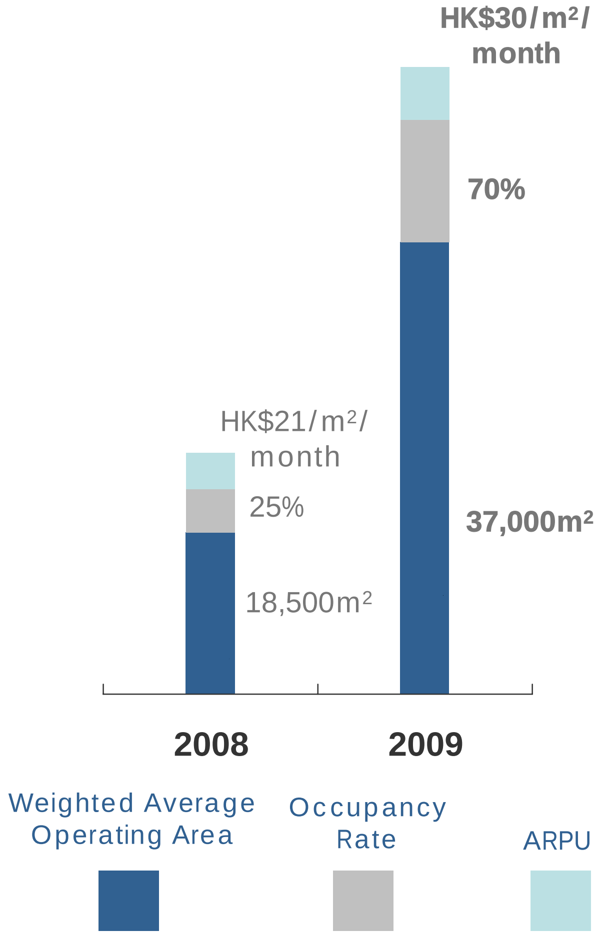
Cross Border Cargo Transfer

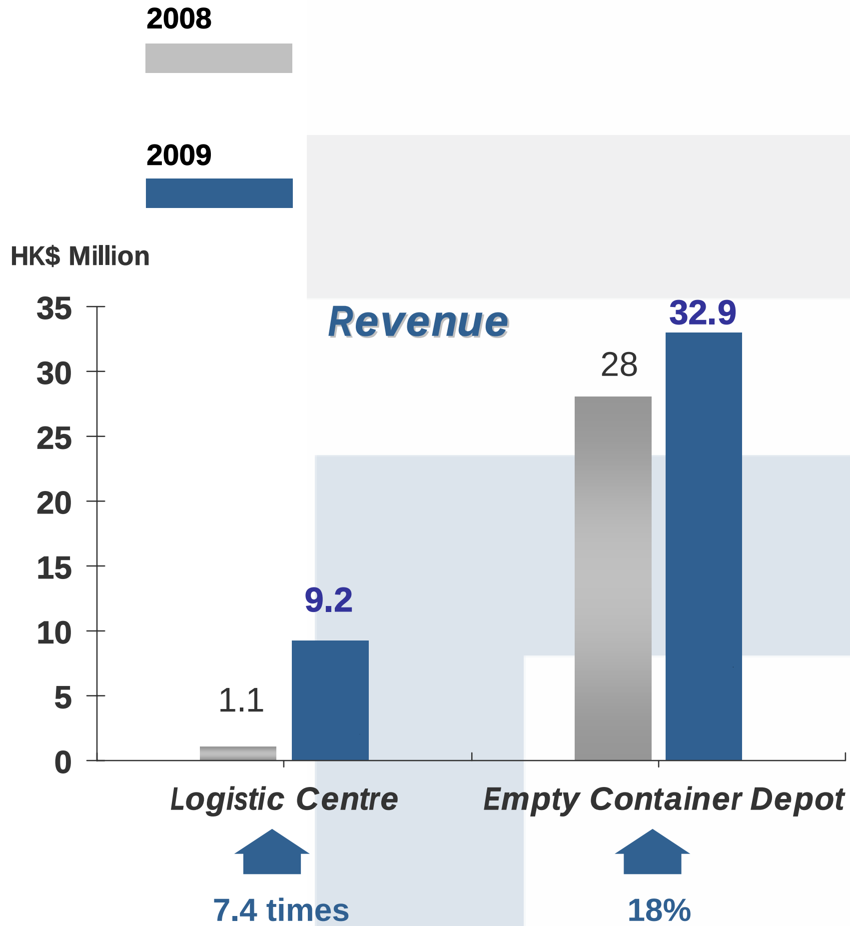


Shenzhen International
深國際

Appendix vi
Logistic Park – Western Logistics

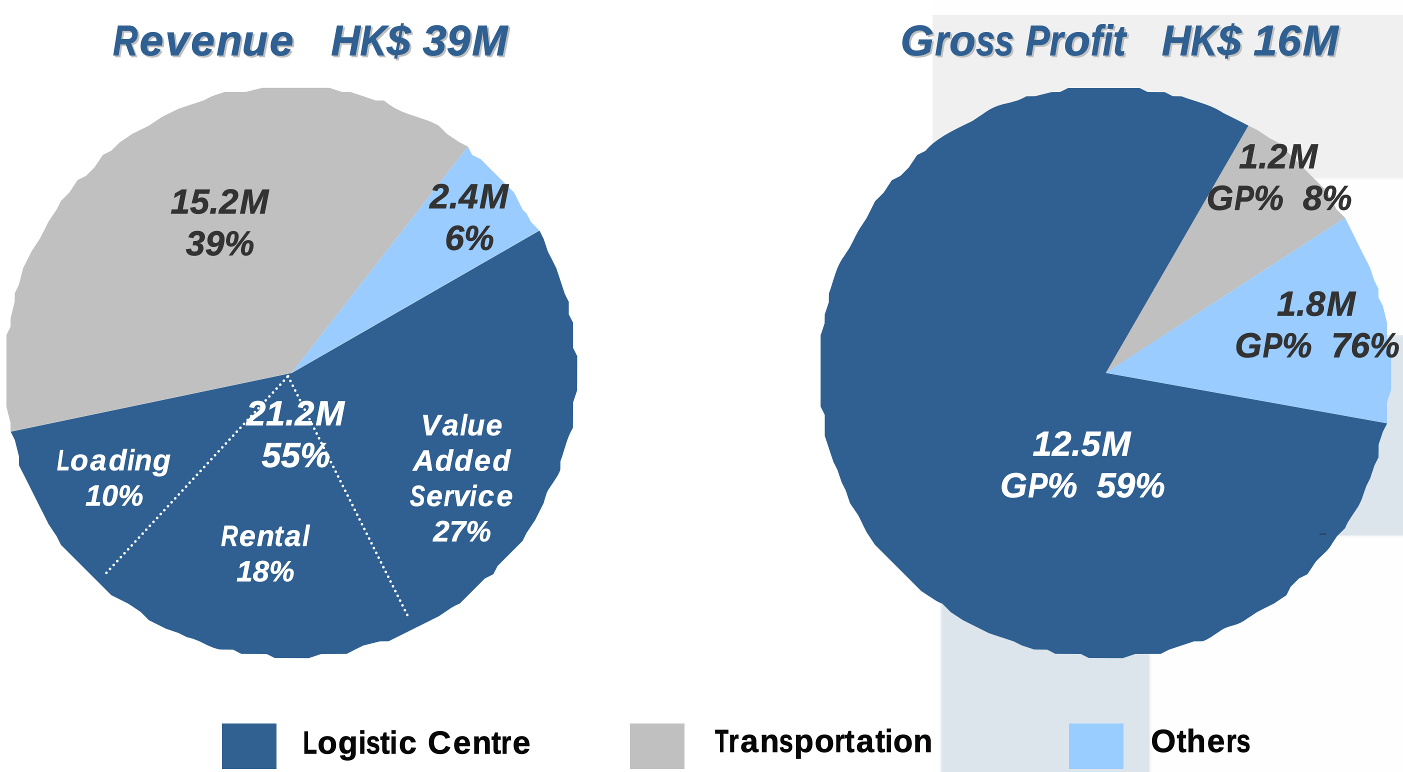
Logistic Centre





Shenzhen International 深國際

Appendix vii
Logistic Park –Nanjing Chemical Industrial Park Logistic Centre



Shenzhen International
深國際

Appendix viii
Shenzhen Airlines

	2005	2006	2007	2008	2009
Registered aircrafts (units)	29.74	36.04	47.51	65.19	78.22
Passengers throughput (million/year)	5.7337	7.1257	9.5021	11.8295	15.1093
Cargo/Mail throughput (tonnes/year)	83,234	105,933	139,273	158,644	195,334
Transportation revenue (million/year)	4,327	5,801	7,963	9,965	11,133

Disclaimers

- **This presentation is prepared in good faith, based on audited financial data, management information, publicly available information, and management's outlook as of 23 March 2010. Macroeconomic parameters could change unexpectedly. The Company's operating environment and thus strategies could change as a result and without notice.**
- **This presentation does not constitute an invitation to trade this or any other stock. Stock price can go down as well as up. Historical performance is no guarantee for the future.**

Thank You!

Kenny Tse
Chief Financial Officer

Tel: (852) 2366 0268 / (86-755) 8358 0668
Fax: (852) 2739 5123 / (86-755) 8358 0602
Email: info@szihl.com
http://www.szihl.com

Shenzhen International
深國際