Shenzhen International Holdings Limited
深圳國際控股有限公司
(incorporated in Bermuda with limited liability)
(Stock Code: 00152)

2015 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Shenzhen International Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group"), and its joint ventures and associates for the year ended 31 December 2015 (the "Year") together with comparative figures for the year ended 31 December 2014 as follows:

Consolidated Income Statement:

		Year ended 31 December	
		2015	2014
	Note	***HK$'000***	*HK$'000*
Revenue	(3), (4)	**6,738,397**	6,370,230
Cost of sales	(7)	**(3,873,487)**	(3,228,450)
Gross profit		**2,864,910**	3,141,780
Other income	(5)	**77,886**	124,726
Other gains – net	(6)	**1,328,237**	1,999,142
Distribution costs	(7)	**(73,165)**	(57,139)
Administrative expenses	(7)	**(495,311)**	(396,886)
Operating profit		**3,702,557**	4,811,623
Share of profit/(loss) of joint ventures		**36,616**	(12,471)
Share of profit of associates	(13)	**752,595**	726,455
Profit before finance costs and tax		**4,491,768**	5,525,607
Finance income	(8)	**280,481**	208,384
Finance costs	(8)	**(973,741)**	(978,187)
Finance costs - net	(8)	**(693,260)**	(769,803)
Profit before income tax		**3,798,508**	4,755,804
Income tax expense	(9)	**(736,318)**	(1,068,622)
Profit for the Year		**3,062,190**	3,687,182
Attributable to:			
Equity holders of the Company		**2,198,385**	2,229,254
Non-controlling interests		**863,805**	1,457,928
		3,062,190	3,687,182

Consolidated Income Statement (continued):

	Note	Year ended 31 December 2015 HK$'000	2014 HK$'000
Earnings per share attributable to equity holders of the Company during the Year (expressed in HK dollars per share)			
– Basic	(10(a))	**1.16**	1.30
– Diluted	(10(b))	**1.16**	1.30

Consolidated Statement of Comprehensive Income:

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Profit for the Year	**3,062,190**	3,687,182
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Fair value gains on available-for-sale financial assets, net of tax	**205,481**	81,361
Reclassification of fair value gains to income statement upon disposal of available-for-sale financial assets, net of tax	**(442,049)**	(38,539)
Fair value gains /(losses) on derivative financial instruments, net of tax	**2,922**	(15,001)
Share of other comprehensive income of an associate	**31,190**	19,235
Share of other comprehensive loss of a joint venture	**(1,762)**	-
Currency translation differences	**(1,236,209)**	(578,344)
Other comprehensive loss for the Year, net of tax	**(1,440,427)**	(531,288)
Total comprehensive income for the Year	**1,621,763**	3,155,894
Total comprehensive income attributable to:		
Equity holders of the Company	**1,216,234**	1,911,004
Non-controlling interests	**405,529**	1,244,890
Total comprehensive income for the Year	**1,621,763**	3,155,894

Consolidated Balance Sheet:

	Note	As at 31 December 2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**3,962,495**	4,085,841
Investment properties		**81,450**	81,240
Land use rights		**977,827**	1,038,290
Construction in progress		**768,314**	442,257
Intangible assets	(12)	**23,833,564**	21,066,291
Investments in associates	(13)	**5,673,459**	5,845,699
Investments in joint ventures		**281,325**	314,092
Available-for-sale financial assets	(14)	**95,748**	100,187
Deferred income tax assets		**89,618**	61,049
Other non-current assets		**1,573,271**	1,969,046
		37,337,071	35,003,992
Current assets			
Inventories		**1,398,527**	673,728
Available-for-sale financial assets	(14)	**1,119,702**	1,288,524
Trade and other receivables	(15)	**1,879,161**	2,761,811
Restricted bank deposits		**288,291**	473,812
Deposits in banks with original maturities over three months		**2,092,911**	-
Cash and cash equivalents		**13,253,721**	7,161,184
		20,032,313	12,359,059
Assets of disposal group classified as held for sale	(16)	**1,628,469**	-
		21,660,782	12,359,059
Total assets		**58,997,853**	47,363,051
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital and share premium		**7,625,528**	7,522,535
Other reserves		**(118,221)**	792,092
Retained earnings		**10,652,736**	9,387,468
		18,160,043	17,702,095
Non-controlling interests		**10,539,424**	9,026,150
Total equity		**28,699,467**	26,728,245

Consolidated Balance Sheet (continued):

	Note	As at 31 December	
		2015	2014
		HK$'000	*HK$'000*
Liabilities			
Non-current liabilities			
Borrowings		**9,161,033**	13,355,254
Derivative financial instruments		**-**	4,920
Provision for maintenance/resurfacing obligations		**149,577**	110,905
Deferred income tax liabilities		**1,998,819**	1,371,915
Other non-current liabilities		**10,930,123**	278,335
		22,239,552	15,121,329
Current liabilities			
Trade and other payables	(17)	**3,613,211**	2,249,290
Income tax payable		**477,299**	683,785
Provision for maintenance/resurfacing obligations		**90,264**	188,211
Borrowings		**3,876,162**	2,392,191
Derivative financial instruments		**1,898**	-
		8,058,834	5,513,477
Total liabilities		**30,298,386**	20,634,806
Total equity and liabilities		**58,997,853**	47,363,051

Notes:

(1) Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"). They have been prepared under the historical cost convention, as modified by the revaluation of the available-for-sale financial assets, derivative financial instruments and investment properties, which are carried at fair value.

(2) Changes in accounting policies and disclosures

(a) New and revised standards and amendments to existing standards that are mandatory for the first time for the financial year beginning on 1 January 2015, are either currently not relevant to the Group or had no material impact on the Group's consolidated financial statements.

(b) In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

(c) New standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
Amendment to HKFRS 11	Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to HKAS 1	Disclosure initiative	1 January 2016
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	Not yet determined
Amendment to HKAS 27	Equity method in separate financial statements	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception	1 January 2016
Annual improvements 2014	Changes from the 2012-2014 cycle of the annual improvements project	1 July 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018

The Group is in the process of assessing the impact of the above new standards and amendments to existing standards.

(2) Changes in accounting policies and disclosures (continued)

(d) Critical accounting estimates and assumptions changed during the Year:

(i) Impairment of concession intangible assets

During the year, since the business performance of Qinglian Expressway, an expressway operated by Guangdong Qinglian Highway Development Company Limited ("Qinglian Company", a subsidiary of the Company), was worse than expectation which representing an impairment indicator, the Group appointed an independent professional traffic consultant to perform traffic studies and an independent valuer to perform business valuation of Qinglian Expressway accordingly using income approach. Based on the valuation result, the Group considered that the recoverable amount of the concession intangible assets of Qinglian Expressway was lower than its carrying value, and an impairment provision amounting to HK$762,045,000 was made accordingly, which resulted in a decrease in profit attributable to equity holders of the Company amounting to HK$222,121,000 for the year ended 31 December 2015. The above assessment relied on the key assumption of the applicable discount rate of 8.45%, which reflects specific risks relating to Qinglian Expressway.

(ii) Income tax and deferred tax

The Group is subject to income taxes mainly in the PRC. There are many transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgment is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises deferred tax assets based on estimates that it is probable to generate enough taxable incomes in the foreseeable future that the deductible losses will be utilised. The recognition of deferred tax assets mainly involved management's judgments and estimations about the timing and the amount of taxable incomes of the company who has tax loss. Where the final outcome of timing and amount is different from that initially estimated, such differences will impact the current income taxes and deferred tax assets in the period in which such determination is made.

During the year, based on a revised independent professional traffic volume study, the Group reassessed the amount of Qinglian Company's future profits against which its deductible tax losses incurred during the year and in prior years can be utilised. Based on the results of reassessment, deferred income tax assets of Qinglian Company amounting to HK$56,458,000 were reversed, which resulted in a decrease in profit attributable to equity holders of the Company amounting to HK$21,942,000 for the year ended 31 December 2015.

(2) Changes in accounting policies and disclosures (continued)

(d) Critical accounting estimates and assumptions changed during the Year: (continued)

(iii) Fair value estimation of the identifiable assets and liabilities acquired

On 30 October 2015, the Group completed the acquisition of 10% equity interest in Shenzhen Qinglong Expressway Company Limited ("Qinglong Company") and as a result, the Group held 50% equity interest in Qinglong Company and obtained the controlling power over Qinglong Company.

The Group adopted valuation technique to assess the fair value of identifiable assets and liabilities of Qinglong Company on the acquisition date by reference to the independent valuer's valuation report. Major assets of Qinglong Company at the acquisition date were concession intangible assets, property, plant and equipment and cash and cash equivalents. The fair values of cash and cash equivalents and property, plant and equipment were assessed to approximate their respective carrying amounts, while the fair value of concession intangible assets were determined using income approach. Key assumption utilised in the income approach represents the 8.30% of applicable discount rate.

(3) Segment information

The Group's operations are organised in two main business segments:

- Toll roads; and
- Logistic business.

Head office functions include corporate management functions and investment and financial activities of the Group.

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Toll roads include development, operation and management of toll highway; logistic business includes: (i) logistic parks which mainly include the construction, operation and management of logistic centres; (ii) logistic services which include the provision of third party logistic and logistic information services to customers; and (iii) port which includes construction, operation and management of wharf and logistic centres at Xiba Port in Nanjing.

The Board assesses the performance of the operating segments based on a measure of profit for the year.

(3) Segment information (continued)

The segment revenue and results presented to the Board, the chief operating decision-maker, are as follows:

For the year ended 31 December 2015

	Toll roads	Logistic business				Head office functions	Total
		Logistic parks	Logistic services	Port	Subtotal		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	4,807,652 [(a)]	616,135	1,128,757 [(b)]	185,853	1,930,745	-	6,738,397
Operating profit	2,570,379	220,591	16,954	70,402	307,947	824,231	3,702,557
Share of profit of joint ventures	16,990	19,434	192	-	19,626	-	36,616
Share of profit/(loss) of associates	321,370	(239)	4,151	-	3,912	427,313	752,595
Finance income	182,725	2,479	2,704	864	6,047	91,709	280,481
Finance costs	(627,344)	(12,005)	(485)	(9,014)	(21,504)	(324,893)	(973,741)
Profit before income tax	2,464,120	230,260	23,516	62,252	316,028	1,018,360	3,798,508
Income tax expense	(326,888)	(49,109)	(5,132)	(4,669)	(58,910)	(350,520)	(736,318)
Profit for the year	2,137,232	181,151	18,384	57,583	257,118	667,840	3,062,190
Non-controlling interests	(848,013)	(879)	(3,208)	(17,276)	(21,363)	5,571	(863,805)
Profit attributable to equity holders of the Company	1,289,219	180,272	15,176	40,307	235,755	673,411	2,198,385
Depreciation and amortisation	1,147,033	70,466	5,315	45,782	121,563	40,303	1,308,899
Impairment loss of concession intangible assets (Note 2(d)(i))	762,045	-	-	-	-	-	762,045
Gains/(losses) on revaluation on equity interests in associates and a joint venture previously held arising from business combinations with change of control	1,111,132	-	(726)	-	(726)	-	1,110,406
Capital expenditure							
- Additions in property, plant and equipment, construction in progress, land use rights and intangible assets	157,370	475,882	38,925	232,060	746,867	75,459	979,696
- Additions in property, plant and equipment, construction in progress, land used rights and intangible assets arising from acquisition of subsidiaries	5,703,276	-	20,280	-	20,280	-	5,723,556
- Additions in investments joint ventures	4,901	-	-	-	-	4,538	9,439
- Additions in investments in associates	-	2,508	-	-	2,508	-	2,508

(3) Segment information (continued)

For the year ended 31 December 2014

	Toll roads	Logistic business				Head office functions	Total
		Logistic parks	Logistic services	Port	Subtotal		
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	5,178,288 [(a)]	597,532	425,668	168,742	1,191,942	-	6,370,230
Operating profit	4,490,810	270,562	27,008	68,686	366,256	(45,443)	4,811,623
Share of (loss)/profit of joint ventures	(31,738)	17,965	1,302	-	19,267	-	(12,471)
Share of profit of associates	268,115	-	3,215	-	3,215	455,125	726,455
Finance income	150,272	1,179	1,853	317	3,349	54,763	208,384
Finance costs	(664,336)	(16,291)	42	(15,774)	(32,023)	(281,828)	(978,187)
Profit before income tax	4,213,123	273,415	33,420	53,229	360,064	182,617	4,755,804
Income tax expense	(993,014)	(51,900)	(6,198)	(6,662)	(64,760)	(10,848)	(1,068,622)
Profit for the year	3,220,109	221,515	27,222	46,567	295,304	171,769	3,687,182
Non-controlling interests	(1,425,580)	(14,614)	(4,289)	(13,970)	(32,873)	525	(1,457,928)
Profit attributable to equity holders of the Company	1,794,529	206,901	22,933	32,597	262,431	172,294	2,229,254
Depreciation and amortisation	1,262,099	93,438	7,442	39,053	139,933	18,757	1,420,789
Capital expenditure							
- Additions in property, plant and equipment, construction in progress, land use rights and intangible assets	156,284	436,504	7,815	220,538	664,857	11,185	832,326
- Additions in investments in associates	-	-	-	-	-	3,749	3,749

(a) The revenue from toll roads includes construction service revenue under service concession arrangements of HK$557,000 (2014: HK$16,402,000) for the Year.

(b) The revenue from logistic services included revenue from electronic commerce and supply chain management services of HK$719,237,000 for the year (2014: nil).

(c) The Group has a large number of customers, none of whom contributed 10% or more of the Group's revenue.

(d) All revenues are derived from external customers located in the People's Republic of China (the "PRC"). The Group's non-current assets, other than financial instruments and deferred income tax assets are mainly located in the PRC, revenues derived from and non-current assets located in other countries and regions are not material.

(4) Revenue

	2015	2014
	HK$'000	*HK$'000*
Toll Roads		
- Toll revenue	**4,712,920**	4,551,275
- Entrusted construction management services revenue	**94,175**	610,611
-Construction service revenue under service concession	**557**	16,402
	4,807,652	5,178,288
Logistic Business		
- Logistic parks	**616,135**	597,532
- Logistic services	**1,128,757**	425,668
- Port	**185,853**	168,742
	1,930,745	1,191,942
	6,738,397	6,370,230

(5) Other income

	2015	2014
	HK$'000	*HK$'000*
Dividend income	**53,215**	45,974
Rental income	**14,040**	24,586
Government grants	**8,405**	41,405
Others	**2,226**	12,761
	77,886	124,726

(6) Other gains – net

	2015	2014
	HK$'000	*HK$'000*
Gains on revaluation on equity interests in associates and a joint venture previously held arising from business combinations with change of control-net	**1,110,406**	-
Impairment loss of concession intangible assets (Note 2(d)(i))	**(762,045)**	-
(Losses)/gains on disposal of property, plant and equipment	**(6,182)**	4,270
(Losses)/gains on disposal of concession intangible assets	**(3,998)**	1,786
Gains on disposal of available-for-sale financial assets (Note 14(a))	**977,008**	57,425
Gain on disposal of Meiguan Expressway's toll free section related assets	**1,010**	1,926,332
Goodwill written-off	**-**	(2,195)
Others	**12,038**	11,524
	1,328,237	1,999,142

(7) Expenses by nature

Expenses included in cost of sales, distribution costs and administrative expenses are analysed as follows:

	2015	2014
	HK$'000	*HK$'000*
Construction cost under service concession	**557**	16,402
Provision for maintenance/resurfacing obligations - net	**13,951**	30,562
Depreciation and amortisation	**1,308,899**	1,420,789
Employee benefit expenses	**821,188**	635,244
Transportation expenses and contractors' costs	**255,764**	282,941
Rental charges	**32,344**	33,964
Other tax expenses	**201,248**	216,840
Commission, management fee and maintenance expenses for toll roads	**308,677**	338,337
Entrusted construction management service costs	**14,224**	161,606
Auditors' remuneration		
- Audit services	**8,179**	8,012
- Non-audit services	**7,197**	3,410
Legal and consultancy fees	**37,329**	25,372
Costs for electronic commerce and supply chain management business	**705,888**	-
Others	**726,518**	508,996
	4,441,963	3,682,475

(8) Finance income and costs

	2015	2014
	HK$'000	*HK$'000*
Interest income from bank deposits	**(145,163)**	(94,971)
Interest income from other receivables	**(113,536)**	(113,413)
Other interest income	**(21,782)**	-
Total finance income	**(280,481)**	(208,384)
Interest expense		
- Bank borrowings	**342,235**	475,959
- Medium-term notes	**89,266**	47,685
- Senior notes	**103,026**	103,487
- Corporate bonds and other notes	**224,929**	236,558
- Other finance costs	**56,816**	10,987
Net foreign exchange losses directly attributable to borrowings	**248,783**	114,361
Less: amounts capitalised on qualified assets	**(91,314)**	(10,850)
Total finance costs	**973,741**	978,187
Net finance costs	**693,260**	769,803

(9) Income tax expense

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the Year. Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The PRC corporate income tax charged to the income statement was calculated based on the assessable profits of the Company's subsidiaries located in the PRC of the year at a rate of 25% (2014: 25%) applicable to the respective companies.

	2015	2014
	HK$'000	*HK$'000*
Current income tax		
- PRC corporate income tax	**931,214**	1,097,168
Deferred income tax	**(194,896)**	(28,546)
	736,318	1,068,622

(10) Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the Year.

	2015	2014
Profit attributable to equity holders of the Company (HK$'000)	**2,198,385**	2,229,254
Weighted average number of ordinary shares in issue (thousands)	**1,895,423**	1,709,474
Basic earnings per share (HK dollars per share)	**1.16**	1.30

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares: share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

(10) Earnings per share (continued)

(b) Diluted (continued)

	2015	2014
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company	**2,198,385**	2,229,254
Profit used to determine diluted earnings per share	**2,198,385**	2,229,254
Weighted average number of ordinary shares in issue (thousands)	**1,895,423**	1,709,474
Adjustments – share options (thousands)	**6,498**	4,779
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**1,901,921**	1,714,253
Diluted earnings per share (HK dollars per share)	**1.16**	1.30

(11) Dividends

At the Board meeting on 22 March 2016, the Board recommended the payment of final dividend for the year of 2015 of HK dollars 0.5 per ordinary share. Such dividends are to be approved by the shareholders at the forthcoming annual general meeting of the Company in 2016 ("Annual General Meeting"). These financial statements do not reflect this as dividend payable.

	2015	2014
	HK$'000	*HK$'000*
Proposed final dividend of HK dollars 0.5 (2014: HK dollars 0.263) per ordinary share	**949,510**	497,581
Proposed special dividend of HK dollars nil (2014: HK dollars 0.192) per ordinary share	**-**	363,253
Total dividend of HK dollars 0.5 (2014: HK dollars 0.455) per ordinary share	**949,510**	860,834

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares. The arrangement is subject to: (1) the approval of proposed final dividend at the forthcoming Annual General Meeting; and (2) The Stock Exchange of Hong Kong Limited (the "Stock Exchange")'s granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

(12) Intangible assets

	2015 HK$'000	2014 HK$'000
Concession intangible assets	**23,831,721**	21,066,291
Goodwill	**1,843**	-
Net book amount	**23,833,564**	21,066,291

(a) Concession intangible assets

	2015 HK$'000	2014 HK$'000
Opening net book amount	**21,066,291**	23,617,718
Acquisition of subsidiaries	**5,468,058**	-
Additions	**41,880**	41,932
Disposal of Meiguan Expressway's toll free section related assets	**(2,877)**	(945,477)
Disposals	**(3,636)**	(101)
Amortisation	**(956,444)**	(1,080,765)
Impairment (Note 2(d)(i))	**(762,045)**	-
Exchange difference	**(1,019,506)**	(567,016)
Closing net book amount	**23,831,721**	21,066,291

Concession intangible assets represent the rights to operate the respective toll roads granted by the relevant local government authorities in the PRC to the Group. The remaining periods of rights to operate the respective toll roads are from 7 to 20 years. According to the relevant governments' approval documents and the relevant regulations, the Group is responsible for the construction of the toll roads and the acquisition of the related facilities and equipment. It is also responsible for the operations and management, maintenance and overhaul of the toll roads during the approved operating periods. The toll fees collected and collectible during the operating periods are attributable to the Group. The relevant toll roads assets are required to be returned to the local government authorities when the operating rights periods expire without any considerations payable to the Group. According to the relevant regulations, these operating rights are not renewable and the Group does not have any termination options. Amortisation of concession intangible assets has all been charged in the income statement within 'Cost of sales'.

(13) Investments in associates

	2015 HK$'000	2014 HK$'000
Beginning of year	**5,845,699**	5,505,921
Additions	**2,508**	3,749
Share of profit of associates	**752,595**	726,455
Share of other comprehensive income of an associate	**31,190**	19,235
Dividends received	**(459,709)**	(269,766)
Transfer to subsidiaries	**(232,853)**	-
Exchange difference	**(265,971)**	(139,895)
End of year	**5,673,459**	5,845,699

(14) Available-for-sale financial assets

	2015	2014
	HK$'000	*HK$'000*
Beginning of year	**1,388,711**	1,373,677
Additions	**298,579**	-
Net change in fair value	**274,323**	108,706
Disposals (Note (a))	**(684,630)**	(59,509)
Exchange difference	**(61,533)**	(34,163)
End of year	**1,215,450**	1,388,711
Less: non-current portion	**(95,748)**	(100,187)
Current portion	**1,119,702**	1,288,524

Available-for-sale financial assets, all denominated in RMB, include the following:

	2015	2014
Listed securities in the PRC, at fair value (Note (a))	**821,123**	1,288,524
Unlisted yield-enhancement products:		
at fair value (Note (b))	**298,579**	-
Unlisted equity investments:		
at fair value	**59,716**	62,484
at cost less impairment		
- Cost	**60,127**	61,798
- Provision for impairment	**(24,095)**	(24,095)
	36,032	37,703
	95,748	100,187
	1,215,450	1,388,711

(a) As at 31 December 2015, listed equity investments stated at market price represented 2.48% interest in CSG Holding Co., Ltd. ("CSG"). During the Year, the Group disposed certain shares in CSG and recorded a gain of approximately HK$977,008,000 (2014: HK$57,425,000).

(b) The balance represented the Group's investments in certain structured yield-enhancement products managed by a high credit quality fund management company in the PRC with expected return of approximately 2.42% per annum.

(15) Trade and other receivables

The settlement period of the toll revenue from toll road operations is normally within a month due to the implementation of unified toll collection policy on expressways of the Group in the PRC. Trade receivables other than toll revenue generally have credit terms of 30 to 120 days. As at 31 December 2015 and 2014, the ageing analysis of the trade receivables of the Group based on revenue recognition date was as follows:

	2015	2014
	HK$'000	*HK$'000*
0-90 days	**485,916**	719,387
91-180 days	**17,579**	23,916
181-365 days	**47,163**	142,759
Over 365 days (Note (a))	**516,089**	306,783
	1,066,747	1,192,845

(a) Trade receivables due over 365 days mainly comprised the amount of HK$492,750,000 (2014: HK$296,357,000) arising from the Group's development and management of certain toll road projects administrated for the Shenzhen Traffic and Transportation Committee (the "SZ Transportation Committee") and entrusted construction management services of Guangshen Coastal Expressway (Shenzhen section) Project.

(16) Assets of disposal group classified as held for sale

In June 2015, Shenzhen International United Land Co., Ltd. ("United Land Company"), a subsidiary of the Group, entered into various land transfer agreements (the "Land Transfer Agreements") with Longhua Management Bureau under Urban Planning Land and Resources Commission of the Shenzhen Municipal to acquire the land use rights of the Meilin checkpoint land parcels at a total consideration of RMB3,566,700,000 (equivalent to HK$4,259,764,000). Pursuant to the Land Transfer Agreements, United Land Company has paid 30% of the total land premium by 30 June 2015 and the remaining land premium is required to be paid before 23 June 2016. Prior to the above transaction, the Group had possessed these land use rights for logistic business operation. As at 31 December 2015, the directors of Company had approved a plan to dispose of not less than 50% equity interest in United Land Company to third-party real estate developers within one year from the balance sheet date. As such, the related group of assets including the prepayment for land premium of HK$1,277,929,000, the carrying values of the original land use rights of HK$52,728,000 and the buildings and fixtures attached to the land use rights of HK$297,812,000, were reclassified to assets held for sale.

In accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the assets of disposal group held for sale were stated at the carrying value of these assets, which were lower than the fair value less costs to sell.

(17) Trade and other payables

As at 31 December 2015 and 2014, the ageing analysis of the trade payables based on the date of invoices was as follows:

	2015	2014
	HK$'000	*HK$'000*
0-90 days	**138,164**	70,306
91-180 days	**1,375**	592
181-365 days	**744**	251
Over 365 days	**253**	673
	140,536	71,822

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

Operating Results	**2015** ***HK$'000***	2014 *HK$'000*	Increase/ (Decrease)
Revenue	**6,738,397**	6,370,230	6%
Operating profit	**3,702,557**	4,811,623	(23%)
Profit before finance costs and tax	**4,491,768**	5,525,607	(19%)
Profit attributable to shareholders	**2,198,385**	2,229,254	(1%)
Basic earnings per share (HK dollars)	**1.16**	1.30	(11%)
Final Dividend per share (HK dollar) (in aggregate)	**0.5**	0.455	10%
- Final dividend (HK dollar)	**0.5**	0.263	90%
- Special dividend (HK dollar)	**-**	0.192	N/A

The operating environment in 2015 was full of challenges with weak global growth, low commodity prices and increased currency volatility. In response to these adverse market conditions and with full awareness of changes in market trends, the Group focused on expansion of logistic network by seeking market opportunities and enhancing operational efficiency. Despite a challenging macroeconomic environment, the Group maintained a stable profit in 2015.

During the Year, the Group recorded a total revenue of HK$6,738 million, representing an increase of 6% as compared to the corresponding period of the previous year, and the profit attributable to shareholders amounted to HK$2,198 million, remaining at a similar level to that of the corresponding period in 2014. Excluding the effect of an one-off gain of approximately HK$1,926 million during the year of 2014 which contributed approximately HK$730 million to the Group's profit attributable to shareholders due to the toll adjustment for a 13.8 kilometres road section of Meiguan Expressway, the Group's profit before finance costs and tax and profit attributable to shareholders for the Year increased by 25% to HK$4,492 million and 47% to HK$2,198 million respectively as compared to the corresponding period of the previous year.

In 2015, the Group continued to focus on expanding its logistic business and was making good progress in building a nationwide network for "China Urban Integrated Logistics Hub". During the Year, the Group signed a total of 4 investment agreements for "China Urban Integrated Logistics Hub" projects with a planned site area of approximately 0.9 million square metres. As at the date of this announcement, the Group's "China Urban Integrated Logistics Hub" projects have spread across 12 key logistic gateway cities in China with a planned site area of approximately 3.67 million square metres. In 2015, the Group's logistic park business maintained a stable revenue growth though the operating results of certain logistic parks were affected by the change in land use in their locations. As a result of the commencement of trial operation of Phase 2 of Nanjing Xiba Port, business volume and revenue from the port business increased, though growing at a slower rate than expected due to the downward economic trend in China. In 2015, the Group launched its supply-chain management service business, which is in the trial stage, thus gross profit contribution is low. In addition, the new commercial segment of a logistic park commenced full operation in 2015, which resulted in additional operating costs. Revenue from the logistic business for the Year increased by 62% to HK$1,931 million, while profit before income tax decreased by 12% to HK$316 million respectively as compared to the corresponding period of the previous year.

The transformation and upgrading of logistic parks has made good progress during the Year. The signing of the Land Consolidation and Preparation Framework Agreement (《土地整備框架協議書》) signifies a breakthrough in the Group's Qianhai project and construction of the start-up project commenced in December 2015. In respect of the Meilin Checkpoint Urban Renewal Project, the Group signed a Land Use Rights Transfer Agreement (《土地使用權出讓合同書》) and obtained land use rights of the relevant land parcels during the Year. As the Meilin Checkpoint Urban Renewal Project (located at the site where Huatongyuan Logistic Centre was previously situated) is adjacent to the Futian District in downtown Shenzhen, it is situated at an advantageous location and it commands a more competitive market price as compared to those of its surrounding land parcels. Moreover, benefitting from the surge of residential property prices in Shenzhen, the value of land parcels of Meilin Checkpoint Urban Renewal Project enhanced further. The Group has engaged an independent valuer to appraise the valuation of the Meilin Checkpoint land parcels as at 31 December 2015 which was approximately RMB9,400 million, much higher than its cost.

In respect of the toll road business, the Group's toll revenue increased by 4% as compared to the corresponding period of the previous year. This was mainly attributable to the fact that most of the toll road projects of the Group reported stable growth in traffic volume and toll revenue, and the Group completed the acquisition of additional equity interest in the project company of Shenzhen Shuiguan Expressway, the results of which were consolidated in the Group's financial statements, bringing in new toll revenue to the Group. The entrusted construction management service projects, which achieved a record high in revenue in 2014, were specific projects by nature with related works completed and most revenue recognised in 2014. As a result, there was a substantial decrease in revenue of approximately HK$516 million from the entrusted construction management services during the Year, as compared to the corresponding period of the previous year. Consequently, total revenue of the Group's toll road business for the Year decreased by 7% to HK$4,807 million. During the Year, a provision was made for the impairment of concession right of Qinglian Expressway and a fair value gain on equity interests held by the Group was recognised as a result of acquisitions of effective control of two companies. The toll road business recorded a net profit of HK$1,289 million, representing an increase of 21% as compared to the corresponding period of the previous year.

On 30 November 2015, the Group entered into toll adjustment and compensation agreements with the relevant government department of Shenzhen in relation to the toll adjustments of Nanguang Expressway, Yanpai Expressway and Yanba Expressway (the "Three Expressways") and the 23.8 kilometres section of Longda Expressway from the starting point of Longda Expressway to the Nanguang ramp (the "Longda Shenzhen Section"). Pursuant to the agreements, the toll adjustments regarding the aforementioned expressways are to be implemented in two phases starting from 0:00 on 7 February 2016. The Group received the first payment of the compensation totaling RMB9,713 million in December 2015 and the remaining balance of the compensation together with the accrued interests will be paid in accordance with the terms of the relevant agreements. Benefitting from the toll adjustment arrangements regarding the Three Expressways and the Longda Shenzhen Section, the Group received a substantial amount of cash at reasonable capital costs, which has further strengthened the Group's financial position and enhanced its ability to expand its core businesses, creating a favourable condition for the Group to implement its strategic targets.

During the Year, Shenzhen Airlines Company Limited (the "Shenzhen Airlines"), an associate in which the Group holds 49% equity interest, recorded a revenue of RMB23,863 million (HK$29,330 million), representing an increase of 4% as compared to the corresponding period of the previous year and its operating profit recorded an increase of 69% as compared to the corresponding period of the previous year. However, affected by the significant fluctuation of Renminbi exchange rate during the second half of the Year, foreign exchange loss increased as compared to the corresponding period of the previous year. As a result, Shenzhen Airlines contributed a profit of HK$381 million (2014: HK$405 million) to the Group during the Year, representing a decrease of 6% as compared to the corresponding period of the previous year.

During the Year, the Group disposed of approximately 64.50 million A shares of CSG at an average selling price of approximately RMB13.90 (HK$17.08) per share to realise a gain after tax of approximately HK$729 million (2014: HK$42.67 million).

Dividend

The Board is committed to maintaining a stable dividend policy to ensure sustainable and steady returns for shareholders. After considering the composition of the profit and cash flows of the Group, the Board considered to increase the dividend payout ratio to 43% for the Year and recommended a final dividend of HK$0.50 (2014: final dividend of HK$0.263 and special dividend of HK$0.192) per share, representing an increase of 10% as compared to the corresponding period of the previous year. Total dividend for the Year amounted to HK$950 million (2014: HK$861 million).

The Board recommended that the final dividend be satisfied wholly in the form of an allotment of scrip shares. Shareholders will be given the option of receiving the final dividend wholly in cash in lieu of such allotment, or partly in cash and partly in the form of scrip shares (the "Scrip Dividend Scheme"). The Scrip Dividend Scheme is subject to: (1) the approval of the proposed final dividend at the forthcoming Annual General Meeting; and (2) the Stock Exchange granting the listing of and permission to deal in the new shares to be issued pursuant thereto.

LOGISTIC BUSINESS

Analysis of Operating Performance

Logistic Parks

During the Year, by stepping up marketing efforts and building a long-term cooperation relationship with key customers, the Group succeeded in maintaining a stable average occupancy rate of 95% for logistic parks (excluding Huatongyuan Logistic Centre, which is in the process of relocation). In order to accommodate the Meilin Checkpoint Urban Renewal Project, Huatongyuan Logistic Centre started the process of relocation and ceased leasing activities.

The Group has been actively pursuing the establishment of industrial parks featuring cross-border e-commerce. Following the nomination of South China Logistic Park and Western Logistic Park as pilot enterprises for the cross-border e-commerce export and import program of Shenzhen in 2014, Western Logistic Park was granted the status as a "National Exemplary e-Commerce Base" by the Ministry of Commerce in June 2015, which is the only exemplary base of China focusing on cross-border e-commerce, laying a solid foundation for the Group's development in e-commerce logistics.

China Urban Integrated Logistics Hub

In 2015, the Group continued to push forward the development and establishment of the "China Urban Integrated Logistics Hub" projects aiming at a nationwide coverage. The Group entered into various investment agreements with relevant government authorities of Hefei, Ningbo, Hangzhou and Chengdu respectively in 2015 and subsequently with the relevant government authorities of Guizhou in early 2016.

The construction of Phase 1 of the "Shenzhen International Shenyang Integrated Logistic Hub", the Group's first "China Urban Integrated Logistics Hub" project, with a site area of approximately 240,000 square metres was completed during the second half of 2015 and its marketing activities are under way. In addition, the project land in Wuxi, Wuhan and Hefei with a total site area of approximately 350,000 square metres is under construction. These projects are due for completion and ready for marketing activities during the second half of 2016.

As at the date of this announcement, the Group extended its "China Urban Integrated Logistics Hub" network to cover 12 major logistic gateway cities and entered into investment agreements with the respective government authorities, namely Shenyang, Wuxi, Wuhan, Tianjin, Shijiazhuang, Changsha, Nanchang, Hefei, Ningbo, Hangzhou, Chengdu and Guizhou, covering a planned site area of approximately 3.67 million square metres, of which the Group has acquired the land use rights for the first phase development of the projects in Shenyang, Wuxi, Wuhan, Shijiazhuang, Changsha, Nanchang, Hefei, Ningbo and Hangzhou, covering an aggregate site area of approximately 1.27 million square metres.

Port

For the year 2015, the port business delivered a satisfactory operating performance amid the challenging economic and business conditions. Performance of the port business was mainly boosted by the commencement of trial operation of Phase 2 of Nanjing Xiba Port as well as retaining existing major customers and effective market expansion. During 2015, a total of 245 vessels berthed at Nanjing Xiba Port and the total throughput of Nanjing Xiba Port reached 17.42 million tonnes, representing an increase of 17% year-on-year.

The construction of the new berth projects of Phase 2 of Nanjing Xiba Port, comprising a berth with a 50,000-tonnage capacity and two other berths each with a 70,000-tonnage capacity, was completed in late 2014. The project started trial operation in April 2015 and commenced loading and lightering operations.

Financial Analysis

During the Year, revenue from the logistic business increased by 62% to HK$1,931 million (2014: HK$1,192 million) as compared to the corresponding period of the previous year and is mainly attributable to the commencement of the new supply-chain management services business and the trial operation of Phase 2 of Nanjing Xiba Port. However, the new supply-chain management services business was still in trial stage, thus gross profit contribution is low. The new commercial segment of a logistic park also commenced full operation in 2015 which incurred additional operating costs. As a result, profit before income tax of the Group's logistic business decreased by 12% to approximately HK$316 million (2014: HK$360 million) as compared to the corresponding period of the previous year.

Revenue and Profit before income tax of each business unit of the logistic business

For the year ended 31 December

	Revenue		**Profit before income tax**	
	2015 ***HK$'000***	Change over Year 2014	**2015** ***HK$'000***	Change over Year 2014
Logistic Park Business				
South China Logistic Park	**246,111**	3%	**130,303**	(10%)
Western Logistic Park	**110,868**	17%	**36,676**	(6%)
Nanjing Chemical Industrial Park Logistic Centre	**72,589**	7%	**15,450**	(17%)
Shandong Booming Total Logistic Park	**87,213**	31%	**4,307**	(23%)
SZ Airport Express Center*	**N/A**	N/A	**18,177**	9%
Sub-total (Normal operation)	**516,781**	10%	**204,913**	(9%)
Huatongyuan Logistic Centre#	**99,354**	(23%)	**25,347**	(47%)
Sub-total	**616,135**	3%	**230,260**	(16%)
Port Business	**185,853**	10%	**62,252**	17%
Logistic Service Business	**1,128,757**	165%	**23,516**	(30%)
Total	**1,930,745**	62%	**316,028**	(12%)

** SZ Airport Express Center is a joint venture and is accounted for using the equity accounting method*

 # Huatongyuan Logistic Centre started the process of relocation during the Year

Revenue from the logistic park business for the Year amounted to approximately HK$616 million, representing an increase of approximately 3% as compared to the corresponding period of the previous year. Profit before income tax decreased by 16% to HK$230 million as compared to the corresponding period of the previous year, this was mainly attributable to additional operating costs incurred as a result of the new commercial segment of South China Logistic Park which was in full operation and Huatongyuan Logistic Centre started the process of relocation and ceased leasing activities during the Year.

Benefitting from the effective marketing efforts and the trial operation of Phase 2 of Nanjing Xiba Port, the port business recorded a revenue of approximately HK$186 million, representing an increase of approximately 10% as compared to the corresponding period of the previous year, and a profit before income tax of approximately HK$62.25 million, representing an increase of approximately 17% as compared to the corresponding period of the previous year.

Revenue from the logistic service business for the Year amounted to HK$1,129 million, representing an increase of 165% as compared to the corresponding period of the previous year, which was mainly attributable to the launch of supply-chain management services business. Given the low gross profit contribution from the new business at trial stage, together with the rising operating costs, profit before income tax decreased by 30% to HK$23.52 million as compared to the corresponding period of the previous year.

Progress of Transformation and Upgrading of Existing Logistic Parks

Qianhai Project

The Group was engaged in sound coordination and communication with relevant government authorities in respect of the land consolidation and preparation for the Qianhai Project. In September 2015, the Group and Authority of Qianhai Shenzhen-Hongkong Modern Service Industry Cooperation Zone of Shenzhen (深圳市前海深港現代服務業合作區管理局, "Qianhai Authority") agreed to conduct consolidation and preparation work in respect of the land parcels of the Qianhai Project by way of land swap, monetary compensation and profit sharing and have, accordingly, entered into a framework agreement. The entering into of the framework agreement signifies a major breakthrough in the Group's Qianhai Project.

The start-up phase of the Qianhai Project is a multi-use project comprising office, commercial and residential buildings with a site area of approximately 38,800 square metres and a total gross floor area of approximately 160,000 square metres. The project is listed by Qianhai Authority as a key construction project of Qianhai Free Trade Zone (前海自貿新城). The start-up project commenced construction in December 2015. In the meantime, the Group is actively liaising with relevant government authorities to drive the execution of the land consolidation and preparation agreement of the Qianhai Project.

Meilin Checkpoint Urban Renewal Project

The Group entered into land transfer agreements with Longhua Management Bureau under Urban Planning Land and Resources Commission of the Shenzhen Municipal (深圳市規劃和國土資源委員會龍華管理局) in respect of the Meilin Checkpoint Urban Renewal Project in late-June of 2015 as scheduled, and paid the first instalment of 30% of the land premium of RMB1,070 million, thereby the Group successfully acquired the land use rights in the Meilin Checkpoint land parcels.

The Meilin Checkpoint Urban Renewal Project is adjacent to the Futian District in downtown Shenzhen, located at the site where Huatongyuan Logistic Centre was previously situated, and is a functional development area in the city centre and a key development zone of the city. It is situated at a geographically advantageous location with good investment value and appreciation potential. The Meilin Checkpoint land parcels have been re-designated as a comprehensive development project with a total gross floor area of approximately 486,000 square metres, comprising properties for residential, commercial, office, business apartments and public and ancillary uses, etc. Benefitting from the surge of residential property prices in Shenzhen, the value of land parcels of Meilin Checkpoint Urban Renewal Project enhanced further. The Group has engaged an independent valuer to appraise the value of the Meilin Checkpoint land parcels as at 31 December 2015 which was approximately RMB9,400 million, much higher than its cost.

TOLL ROAD BUSINESS

Analysis of Operating Performance

During the Year, the operating performance of each expressway project of the Group was influenced in varying degrees by the changes of surrounding road network, renovation work of connecting or parallel roads, and conditions of each individual project:

- the opening of Guan Jing Tou Station for Boshen Expressway (Boluo County of Huizhou to Longgang Area of Shenzhen) in late October 2014 drove the increase in traffic volume of both Jihe Expressway and Yanpai Expressway;
- a significant amount of truck traffic on Yanpai Expressway and Yanba Expressway had been diverted to Yantian'ao Tunnel in Shenzhen since the tunnel became a toll-free passage on 1 February 2015, and the operating performance of Jihe Expressway was affected to a certain extent;
- the operating performance of each of Jihe Expressway and Meiguan Expressway was further enhanced after their completion of expansion works and resurfacing and maintenance works in recent years, which enhanced their traffic capacity and efficiency. Since the implementation of toll adjustment in relation to Meiguan Expressway with effect from 1 April 2014, it had boosted the operating performance of the remaining toll section held by the Group and of Jihe Expressway (which connects to Meiguan Expressway). Improvement works to Longda Expressway implemented during the reporting period also had positive effect on Jihe Expressway; and
- Guangle Expressway (Guangzhou to Lechang, Guangdong) and Lianzhou to Huaiji section in Guangdong of Erguang Expressway (Erenhot to Guangzhou) became operational in late September and late December 2014, respectively. As their routes are located near Qinglian Expressway, diversion effect had been created on Qinglian Expressway to a certain extent, which resulted in a decrease of 20% in toll revenue of Qinglian Expressway year-on-year. Nevertheless, the conversion and expansion works of Guangqing Expressway (Guangzhou to Qingyuan, Guangdong, which connects to the southern end of Qinglian Expressway) and the construction works of the connecting lanes between Guangqing Expressway and Qinglian Expressway are scheduled for completion in late 2016 and late 2017, respectively. In addition, the connecting lanes between Erguang Expressway and Qinglian Expressway are under construction. Such project works, when completed, are expected to improve the traffic efficiency of the entire passage and to bring its function as the artery of Hunan-Guangdong traffic major passage into full capacity, thereby enhancing the competitiveness and operating performance of Qinglian Expressway.

Pursuant to the adjustment agreement for Nanguang Expressway, Yanpai Expressway and Yanba Expressway and that for Longda Shenzhen Section, each entered into between the Group and the relevant government department of Shenzhen, parties to the said agreements agreed to implement the toll adjustments in two phases for Nanguang Expressway, Yanpai Expressway, Yanba Expressway and Longda Shenzhen Section. During Phase 1 (from 00:00 on 7 February 2016 to 24:00 on 31 December 2018), the Group will implement toll-free for these road sections in exchange for cash compensation by the relevant government department based on the specified adjustment mechanism. During Phase 2 (from 00:00 on 1 January 2019), the relevant government department will elect to continue to implement toll-free as in Phase 1, or the fee entitlement rights of the road sections be returned to it at an earlier stage in exchange for the payment of compensation accordingly.

In December 2015, the Group received an aggregate amount of RMB9,713 million as the first payment of compensation from the relevant government department as agreed under the adjustment agreements. The respective balance of the compensation, relevant taxes, any settlement balance and all interests accrued shall be paid as agreed under the relevant agreements.

Financial Analysis

During the Year, total revenue of the Group's toll road business amounted to HK$4,807 million (2014: HK$5,162 million), representing a decrease of 7% as compared to the corresponding period of the previous year; profit before finance costs and tax amounted to HK$2,909 million (2014: HK$2,801 million), representing an increase of 4% as compared to the corresponding period of the previous year. Net profit was HK$1,289 million (2014: HK$1,064 million), representing an increase of 21% year-on-year.

During the Year, most of the Group's toll road projects reported growth in traffic volume and toll revenue. In addition, the project company of Shuiguan Expressway became a subsidiary of the Group, making significant contribution in toll revenue to the Group. These offset the negative effect arising from the toll adjustment of Meiguan Expressway effective from April 2014 and the overall reduction in toll revenue of individual toll road projects including Qinglian Expressway and Yanpai Expressway due to significant diversion effect. Toll revenue during the Year amounted to HK$4,713 million (2014: HK$4,551 million), representing an increase of 4% year-on-year.

Meanwhile, the entrusted construction management service projects, which reported considerable revenue in 2014, were specific projects by nature with related works completed and most revenue recognised in 2014. As a result, there was a substantial decrease in revenue of approximately HK$516 million from the entrusted construction management services during the Year, as compared to the corresponding period of the previous year. Consequently, total revenue of the Group's toll road business for the Year decreased by 7% as compared to the corresponding period of the previous year.

During the Year, the Group made a provision for impairment of concession right of Qinglian Expressway, resulted in a decrease in net profit of approximately HK$222 million. Moreover, during the Year, the Group obtained the effective control of the project company of Shuiguan Expressway and Shenzhen Expressway Engineering Consulting Company Limited and consolidated their results into the Group's financial statements, a fair value gain on equity interests held by the Group was recognised, which increased the net profit by approximately HK$565 million. Consequently, net profit of the toll road business for the Year increased by 21% as compared to the corresponding period of the previous year.

Longda Expressway

During the Year, Longda Expressway recorded a toll revenue of HK$625 million (2014: HK$631 million), maintained at a similar level to that of the corresponding period of 2014. Profit before finance costs and tax amounted to HK$392 million (2014: HK$408 million) and earnings before interest, tax, depreciation and amortisation ("EBITDA") amounted to HK$467 million (2014: HK$484 million), both representing a decrease of 4% as compared to the previous year.

Benefitting from the development of new development zones nearby, Longhua New Area and Guangming New Area, and the stable growth in automobile ownership, Longda Expressway recorded a considerable increase in toll revenue for Class 1 vehicles, as compared to the corresponding period of the previous year. This offsets the negative impact of reduction in toll revenue from trucks due to the implementation of concessionary application of a lower-tier toll rate for empty trucks under the toll-by-weight policy since late-June of 2014. Accordingly, toll revenue of Longda Expressway for the Year maintained at a similar level to that of the corresponding period of 2014.

Wuhuang Expressway

During the Year, Wuhuang Expressway recorded a toll revenue of HK$408 million (2014: HK$409 million), maintained at a similar level to that of the corresponding period of 2014. Profit before finance costs and tax amounted to HK$176 million (2014: HK$181 million), representing a decrease of 3% year-on-year; EBITDA amounted to HK$284 million (2014: HK$284 million), maintained at the same level to that of the corresponding period of 2014.

During the Year, although Wuhuang Expressway continued to be affected by the link-up of the adjacent road network and traffic control measures on municipal roads, the implementation of heavier penalty on over-loaded trucks, which is one of the adjustments in the classification of vehicles for toll collection and the toll-by-weight system for cargo vehicles on expressways in Wubei Province since late June this year, provided a positive impact on Wuhuang Expressway. Toll revenue of Wuhuang Expressway from trucks increased and posed positive effect on its overall toll revenue. As a result, toll revenue of Wuhuang Expressway for the Year maintained at a similar level to that of the corresponding period of 2014.

Shenzhen Expressway and its expressway projects

During the Year, Shenzhen Expressway benefitted from the organic growth in traffic volume of most of its expressway projects, improvement of road network as well as the project company of Shuiguan Expressway becoming its subsidiary which made considerable contribution to its toll revenue. It recorded a toll revenue of HK$3,680 million (2014: HK$3,511 million), representing an increase of 5% as compared to the corresponding period of the previous year. However, revenue from entrusted construction management services during the Year decreased significantly by approximately HK$516 million. As a result, the total revenue of Shenzhen Expressway for the Year decreased by 8% year-on-year to approximately HK$3,774 million (2014: HK$4,122 million); profit before finance costs and tax increased by 6% year-on-year to approximately HK$2,341 million (2014: HK$2,212 million). During the Year, Shenzhen Expressway made a provision for impairment of concession right of Qinglian Expressway which led to a decrease in net profit contribution for the Group by approximately HK$222 million. As Shenzhen Expressway obtained the effective control of the project company of Shuiguan Expressway and Shenzhen Expressway Engineering Consulting Company Limited during the Year, a fair value gain on equity interests held by it was recognised, which increased the net profit of the Group by approximately HK$565 million. Accordingly, the Group's share of profit from Shenzhen Expressway increased by 33% to HK$963 million (2014: HK$726 million), as compared to the corresponding period of the previous year.

OTHER INVESTMENTS

Shenzhen Airlines

The passenger transport volume of Shenzhen Airlines continued to grow at 12% during the Year. During the Year, aviation oil price significantly reduced and Shenzhen Airlines' aviation oil costs were lowered by approximately 30% as compared to the corresponding period of the previous year. This brought positive impact on the operating results of Shenzhen Airlines to some extent. The decline in aviation oil prices also reduced fuel surcharges to customers and the average airfares of Shenzhen Airlines were also lowered by 5% as compared to the corresponding period of the previous year. Total revenue of Shenzhen Airlines for the Year increased by 4% to RMB23,863 million (HK$29,330 million) (2014: RMB22,891 million (HK$28,794 million)) as compared to the corresponding period of the previous year. During the Year, as a result of reduction in aviation oil costs, operating profit of Shenzhen Airlines increased by 69% year-on-year to RMB2,893 million (HK$3,556 million). However, affected by the significant fluctuation of RMB exchange rate during the second half of the Year, Shenzhen Airlines recorded an exchange loss of approximately RMB1,146 million (HK$1,409 million) (2014: exchange loss of approximately RMB46.67 million (HK$58.70 million)). As a result, net profit for the Year decreased by 5% as compared to the corresponding period in the previous year to RMB744 million (HK$914 million) (2014: RMB780 million (HK$981 million)). Shenzhen Airlines contributed a profit of approximately HK$381 million (2014: HK$405 million) to the Group in 2015, representing a decrease of 6% as compared to the corresponding period in the previous year.

DEVELOPMENT FOCUS AND OUTLOOK FOR THE GROUP

It is expected that growth in the global economy will remain slow and the business environment will remain challenging in 2016. Nevertheless, new policies launched by the Chinese government, including the "One Belt, One Road" policy and the "Internet plus" policy as well as supportive policies for cross-border e-commerce are all considered favourable opportunities for the development of the Group.

The Group believes that prospect of the logistic industry remains promising. Over the ensuing year, the Group will speed up investment in and construction of the "China Urban Integrated Logistics Hub" and step up its efforts in pushing forward the transformation and upgrading of its exiting logistic parks, further expanding the scale of its logistic business by way of resource reallocation as well as merger and acquisition.

In 2016, the Group will strive to invest in Beijing, Shanghai, Bohai Rim region, Pearl River Delta, Xi'an and Chongqing for the "China Urban Integrated Logistics Hub" projects, and to acquire land use rights for the Liguang land parcels in Longhua New Area in Shenzhen and to commence preparatory work for project construction. The Liguang land parcels will be developed into a logistic park with a gross floor area of approximately 250,000 square metres to serve as a local node in Shenzhen of the "China Urban Integrated Logistics Hub", which is expected to further consolidate our market share in the logistics market of Shenzhen. Moreover, the Group will actively identify suitable opportunities in Hong Kong for development and acquisition to link up its logistic business, in particular cross-border e-commerce, in the PRC and Hong Kong.

In the meantime, the construction of "Shenzhen International Qianhai Intelligent Hub", a start-up project under the Group's Qianhai Project, has commenced in late-2015 and marketing activities is expected to launch in 2016. South China Logistic Park and Western Logistic Park will continue to explore opportunities in cross-border e-commerce. The Group will actively advance the relevant demolition work, strive to seize the opportunity of urban development, renewal and reconstruction and timely realise the commercial value of the Meilin Checkpoint land parcels. The reallocation of logistic resources will gradually take effect and increase profitability, providing a potential powerhouse for the Group's future development.

Pursuant to the adjustment agreement for Nanguang Expressway, Yanpai Expressway and Yanba Expressway and that for Longda Shenzhen Section, both entered into on 30 November 2015, the Group will retain the fee entitlement rights of these road sections during Phase 1 of the relevant toll adjustments, and recognise the toll revenue, costs and profits of these road sections accordingly. It is estimated that there will not be material financial effects on the revenue and profits of the Group.

Since the implementation of toll-free policy on 7 February 2016 for Nanguang Expressway, Yanpai Expressway, Yanba Expressway and Longda Shenzhen Section, these toll-free road sections and the adjacent Jihe Expressway have experienced faster growth in traffic volume. However, there was a slight diversion effect on Meiguan Expressway as a fraction of the vehicles originally using Meiguan Expressway was diverted to Nanguang Expressway and Longda Expressway. As a whole, the implementation of the toll-free policy of these road sections brought positive effect on the traffic volume of the Group.

Looking forward to 2016, taking into account of the uncertainties concerning the external circumstances and the rising pressure of economic downturn in China, there will be even more uncertainties in the growth of traffic volume and toll revenue of expressway projects. In addition, with the advancement of urbanisation, expressway projects in economically developed regions or their neighbouring areas may face pressure of buybacks by the government. However, new urbanisation will generate great demand for construction or upgrades of infrastructure facilities and demand for maintenance and management once such infrastructure facilities are put in use, thereby creating business opportunities for the Group. The Group will conduct an in-depth analysis and implement effective measures to increase toll revenue, to strengthen management of cost-effectiveness, and to consolidate principal activities of toll road business with active exploration into new directions, so as to reinforce the operating performance of its toll road business.

FINANCIAL POSITION

	31 December 2015 *HK$ million*	**31 December 2014** *HK$ million*	**Increase/ (Decrease)**
Total Assets	**58,998**	47,363	**25%**
Total Liabilities	**30,298**	20,635	**47%**
Total Equity	**28,700**	26,728	**7%**
Net Asset Value attributable to shareholders	**18,160**	17,702	**3%**
Net Asset Value per share attributable to shareholders (HK dollar)	**9.6**	9.4	**2%**
Cash	**15,635**	7,635	**105%**
Bank borrowings	**5,112**	8,307	**(38%)**
Notes and bonds	**7,925**	7,440	**7%**
Total Borrowings	**13,037**	15,747	**(17%)**
Net (Cash) / Borrowings	**(2,598)**	8,112	**N/A**
Debt-asset Ratio (Total Liabilities/Total Assets)	**51%**	44%	**7** #
Ratio of Total Borrowings to Total Assets	**22%**	33%	**(11)** #
Ratio of Net (Cash) / Borrowings to Total Equity	**(9%)**	30%	**N/A**
Ratio of Total Borrowings to Total Equity	**45%**	59%	**(14)** #

\# *Change in percentage points*

Key Financial Indicators

As at 31 December 2015, the net asset value attributable to shareholders increased by 3% to HK$18,160 million, while the net asset value per share amounted to HK$9.6, representing an increase of 2% as compared to the corresponding period of the previous year. The ratio of total borrowings to total assets was 22%, which was 11 percentage points lower than that at the end of last year, reflecting that the Group maintained a healthy and stable financial position.

Cash Flow and Financial Ratios

During the Year, the Group's cash flow generated from operations remained stable. Net cash inflow generated from operating activities amounted to HK$2,130 million; net cash outflow generated from investment activities amounted to HK$2,479 million; and net cash outflow generated from recurring financing activities amounted to HK$4,904 million. The Group's core businesses maintained a stable cash inflow, while the Group kept monitoring the changes in total borrowings for the purpose of maintaining the Group's financial ratios at a healthy level. During the Year, the Group reduced its total borrowings by 17% and continued to optimise its borrowing structure, therefore the ratio of total borrowings to total equity decreased by 14 percentage points to 45%, thus further strengthening the financial position of the Group.

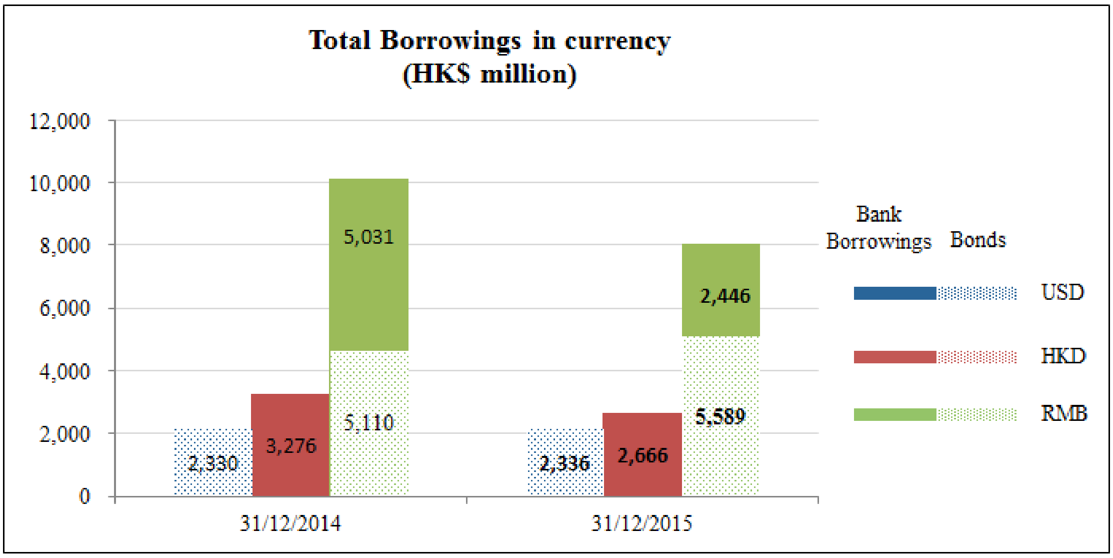
Cash Balance

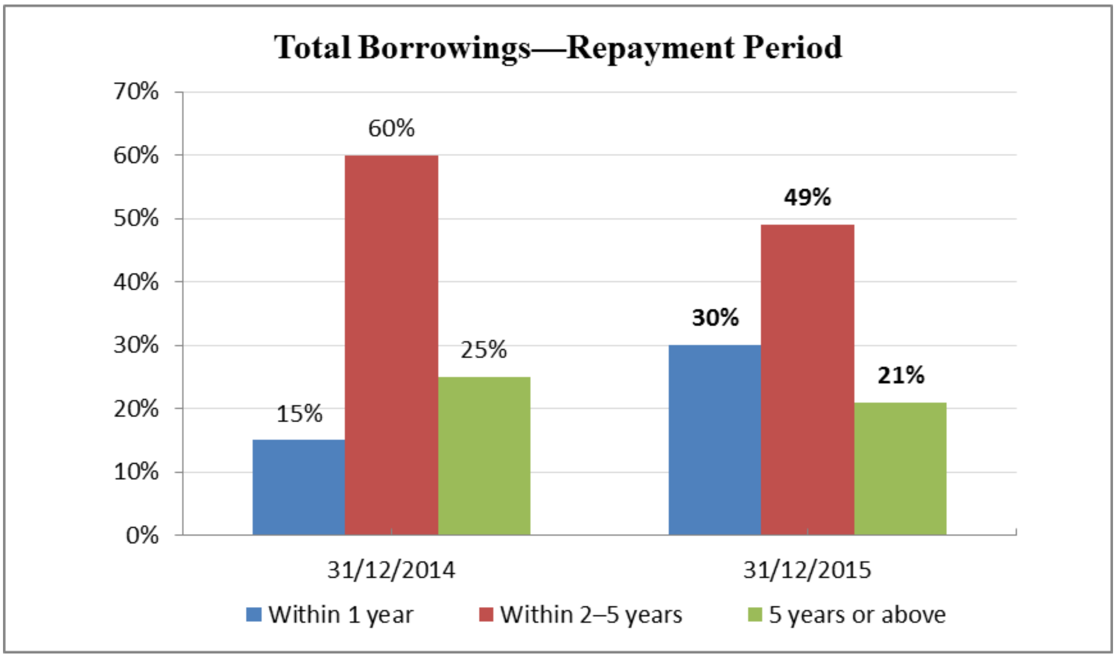
As at 31 December 2015, the cash balance held by the Group amounted to HK$15,635 million (31 December 2014: HK$7,635 million), representing a significant increase of 105% as compared to the corresponding period of the previous year. Such increase was mainly attributable to the balance of compensation of RMB2,000 million received for the toll adjustment of Meiguan Expressway and the compensation of RMB 9,713 million paid by the Transport Commission of Shenzhen Municipality under the toll adjustment and compensation agreements regarding Nanguang Expressway, Yanpai Expressway, Yanba Expressway and Longda Expressway during the Year. Almost all cash held by the Group is denominated in Renminbi, facilitating the Group's operation and development in China. The Group will further strengthen its capital management using a prudent treasury policy to increase return of its cash portfolio, providing strong support for the business development of urban integrated logistic hub.

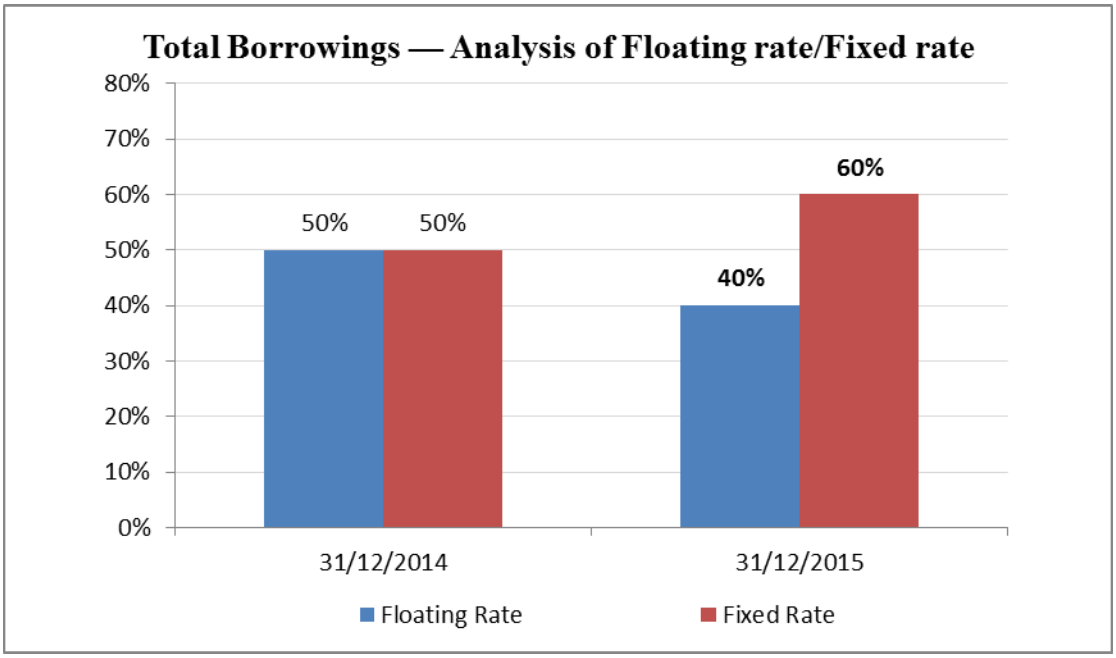
Capital Expenditures

During the Year, the Group's capital expenditures amounted to RMB2,185 million (HK$2,610 million), of which RMB1,070 million was utilised for the payment of 30% of the land premium for the land parcels of the Meilin Checkpoint Urban Renewal Project, RMB776 million was utilised for construction works and land acquisition in respect of the China Urban Integrated Logistics Hub, and RMB201 million was utilised for payment of the construction costs of Phase 2 of Nanjing Xiba Port. The Group expects the capital expenditures for the year 2016 to be approximately RMB6,800 million (HK$8,100 million), of which RMB2,500 million will be utilised for the balance payment of 70% of the land premium for the land parcels of the Meilin Checkpoint Urban Renewal Project, RMB1,400 million will be utilised for China Urban Integrated Logistics Hub project, approximately RMB1,200 million will be utilised for acquiring an office building as our head office and approximately RMB220 million will be utilised for a start-up project of Qianhai Project.

Borrowings


Total Borrowings in currency
(HK$ million)
12,000
10,000
8,000
6,000
4,000
2,000
0
2,330
3,276
5,110
5,031
2,336
2,666
5,589
2,446
31/12/2014
31/12/2015
Bank Borrowings
Bonds
USD
HKD
RMB


Total Borrowings—Repayment Period
70%
60%
50%
40%
30%
20%
10%
0%
15%
60%
25%
30%
49%
21%
31/12/2014
31/12/2015
Within 1 year
Within 2–5 years
5 years or above



As at 31 December 2015, the Group's total borrowings amounted to HK$13,037 million, representing a decrease of 17% as compared to the corresponding period of the previous year. During the Year, the Group repaid borrowings with its internal resources and reduced additional debt, thereby lowering the total borrowings, effectively optimising its debt structure and adjusting the currency structure of its borrowings.

The Group continued to explore more financing channels by leveraging on the advantages of diversified financing alternatives, both at onshore and offshore, and fully utilising various financing platforms. Capitalising on cross-border two-way RMB capital pool business, the Group enjoys greater flexibility in liquidity and a solid base of resources, further optimising its debt structure and providing better support for business development.

The Group's Financial Policy

Interest Rate Risk Management

The Group's interest rate risks arise primarily from floating-rate bank loans. In order to reduce its overall finance costs and the risk of interest rate fluctuation, the Group uses fixed-rate bank loans or interest rate swap as a hedging tool according to the sizes and periods of its borrowings. The Group enters into interest rate swap agreements with financial institutions for hedging purposes to achieve the economic effect of converting floating-rate borrowings into fixed-rate borrowings. The management regularly reviews the ratio of fixed-rate to floating-rate borrowings, striking a balance between minimising interest expenses and hedging against interest rate risks. The Group closely monitors developments of the macro environment as well as changes in its own business structure and regularly reviews its liquidity and financial resources, so as to minimise financial costs and maximise return on financial assets.

Exchange Rate Risk

Cash flows, cash on hand and assets for business operated by the Group are primarily denominated in Renminbi, whereas borrowings are mainly denominated in Renminbi, Hong Kong dollars and US dollars. The management of the Group has been closely monitoring the fluctuation and movements of the Renminbi exchange rate. On 11 August 2015 when the People's Bank of China announced the determination of the midpoint rate of Renminbi against US dollars to enhance market mechanism and reference, such a move has aggravated the fluctuation of Renminbi till the end of the year, which led to an exchange loss incurred by the Group of HK$249 million. The Group strives to mitigate the impact of exchange rate fluctuations on its overall financial performance and to minimise financial risks. The management has conducted a detailed analysis and study into the movement of Renminbi exchange rate and expected that the Renminbi exchange rate will experience higher volatility in future. During the Year, the Group took steps to reduce the impact of fluctuation in the exchange rate of Renminbi, including repayment of borrowings denominated in foreign currency, thus reducing the borrowings denominated in Hong Kong dollars by almost 20% compared with the year 2014. The group will also adjust currency structure of its borrowings and adopt appropriate hedging instruments to reduce the impact.

Liquidity Risk Management

The Group managed to enhance its financial strengths by broadening its financing channels through bank loans, bond market and equity financing. The Group manages its liquidity under a centralised system and takes advantage of onshore and offshore markets in a flexible manner to maximise capital utilisation rate. During the Year, the Group raised low-cost funds with medium to long term maturities by adopting various financing instruments and diversified sources of funds, and minimised the possibility of re-financing by maintaining a combination of short-term and long-term borrowings.

The Group currently has cash on hand and standby banking facilities of approximately HK$43,000 million. The Group has signed agreements with major banks in Hong Kong and Mainland China to secure debt financing for the Group. The Group regularly monitors the cash flow forecast on a dynamic basis and makes appropriate financing arrangements in a timely manner. Looking forward, the Group will ensure its ability to continue its business operation, to expand its businesses and to satisfy the requirements of investments by maintaining a steady stream of working capital and diversified financing channels.

Credit Ratings

During the Year, three major international credit rating agencies, Standard & Poor's, Moody's and Fitch Ratings, continued to assign investment grade credit ratings of BBB, Baa3 and BBB respectively to the Company, reflecting the Company's high quality assets, stable financial position, adequate cash flow and strong credit standing. The recognition from these three major international credit rating agencies shall facilitate the Group in further expanding its financing channels so as to optimise its capital structure and reduce its financing costs.

EVENTS AFTER THE BALANCE SHEET DATE

1. The adjustment agreement for Longda Shenzhen Section and the adjustment agreement for Nanguang Expressway, Yanpai Expressway and Yanba Expressway were approved by the shareholders of the Company and Shenzhen Expressway (in the latter case only) at the special/extraordinary general meetings held on 28 January 2016 and 29 January 2016, respectively. Accordingly, all conditions precedent for the effectiveness of these two agreements have been satisfied. Pursuant to the adjustment agreements, the above mentioned toll roads have been operated by card access and the toll of such expressways has been exempted commencing from 00:00 on 7 February 2016.

2. On 7 March 2016, the Company entered into an agreement with Shenzhen Nongke Holdings Company Limited ("Shenzhen Nongke') whereby the Company agreed to purchase and Shenzhen Nongke agreed to sell (through its wholly-owned subsidiary, Shenzhen Shumyip Zhongcheng Co., Ltd.) the office building at a cash consideration of RMB1,168 million (approximately HK$1,395 million) for use as the head office building of the Group in Shenzhen. The transaction constitutes a discloseable transaction of the Company as defined under Chapter 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

3. On 18 March 2016, a concession agreement on Outer Ring Expressway Shenzhen section (Coastal Expressway – Shenshan Expressway Section) ("Outer Ring project") was signed by Shenzhen Outer Ring Expressway Investment Company Limited ("Outer Ring Company"), a wholly-owned subsidiary of Shenzhen Expressway, and the SZ Transportation Committee. Meanwhile, a joint investment and construction agreement was signed by Shenzhen Expressway, Outer Ring Company and Shenzhen SEZ Construction and Development Group Co., Ltd. (a wholly owned company set up by the Government) (the "Construction Development Group"). According to the agreement, the investment budget of Outer Ring project is RMB20.6 billion (approximately HK$24.8 billion) with a construction period of 38 months. Shenzhen Expressway and Outer Ring Company will invest RMB6.5 billion (approximately HK$7.8 billion), gaining operating benefits and bearing operating costs, taxes and risks in a 25-year operating period. The Construction Development Group will bear or raise excessive investment. The agreement was passed by board of directors of Shenzhen Expressway on 18 March 2016 and is subject to the approval of the respective shareholders' meeting of Shenzhen Expressway and the Company.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is committed to maintaining a high standard of corporate governance in the best interests of shareholders. The corporate governance principles adopted by the Company emphasise a highly efficient Board, sound internal control and the transparency and accountability to all shareholders.

During the Year, the Company has complied with the code provisions set out in "Corporate Governance Code and Corporate Governance Report" of Appendix 14 of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

To ensure the eligibility to attend and vote at the 2016 Annual General Meeting and the entitlement to the proposed final dividend, the register of members of the Company will be closed on the following dates:

For ascertaining shareholders' right to attend and vote at the 2016 Annual General Meeting:

Latest time to lodge transfers	by 4:30 p.m. on Tuesday, 10 May 2016
Book closure dates	Wednesday, 11 May 2016 to Friday, 13 May 2016 (both days inclusive)
Record date	Friday, 13 May 2016

For ascertaining shareholders' entitlement to the proposed final dividend:

Latest time to lodge transfers	by 4:30 p.m. on Wednesday, 18 May 2016
Book closure dates	Thursday, 19 May 2016 to Friday, 20 May 2016 (both days inclusive)
Record date	Friday, 20 May 2016
Payment date of the final dividend	on or about Wednesday, 22 June 2016

To be eligible to attend and vote at the 2016 Annual General Meeting and qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the aforementioned latest time.

OTHER INFORMATION

Before the date of this announcement, the Audit Committee of the Company reviewed the annual results of the Group for the year ended 31 December 2015. A meeting of the Audit Committee of the Company has also been held with the Company's auditors in connection with the review of the annual results of the Group for the year ended 31 December 2015.

The figures in respect of the announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Company's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

This announcement and other information including those of the Company's 2015 annual results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.szihl.com).

By Order of the Board
Shenzhen International Holdings Limited
Gao Lei
Chairman

Hong Kong, 22 March 2016

As at the date of this announcement, the Board consists of Messrs. Gao Lei, Li Jing Qi, Zhong Shan Qun, Liu Jun and Li Lu Ning as executive directors, Dr. Yim Fung, JP as non-executive director and Messrs. Leung Ming Yuen, Simon, Ding Xun and Nip Yun Wing as independent non-executive directors.