



Shenzhen International
深國際

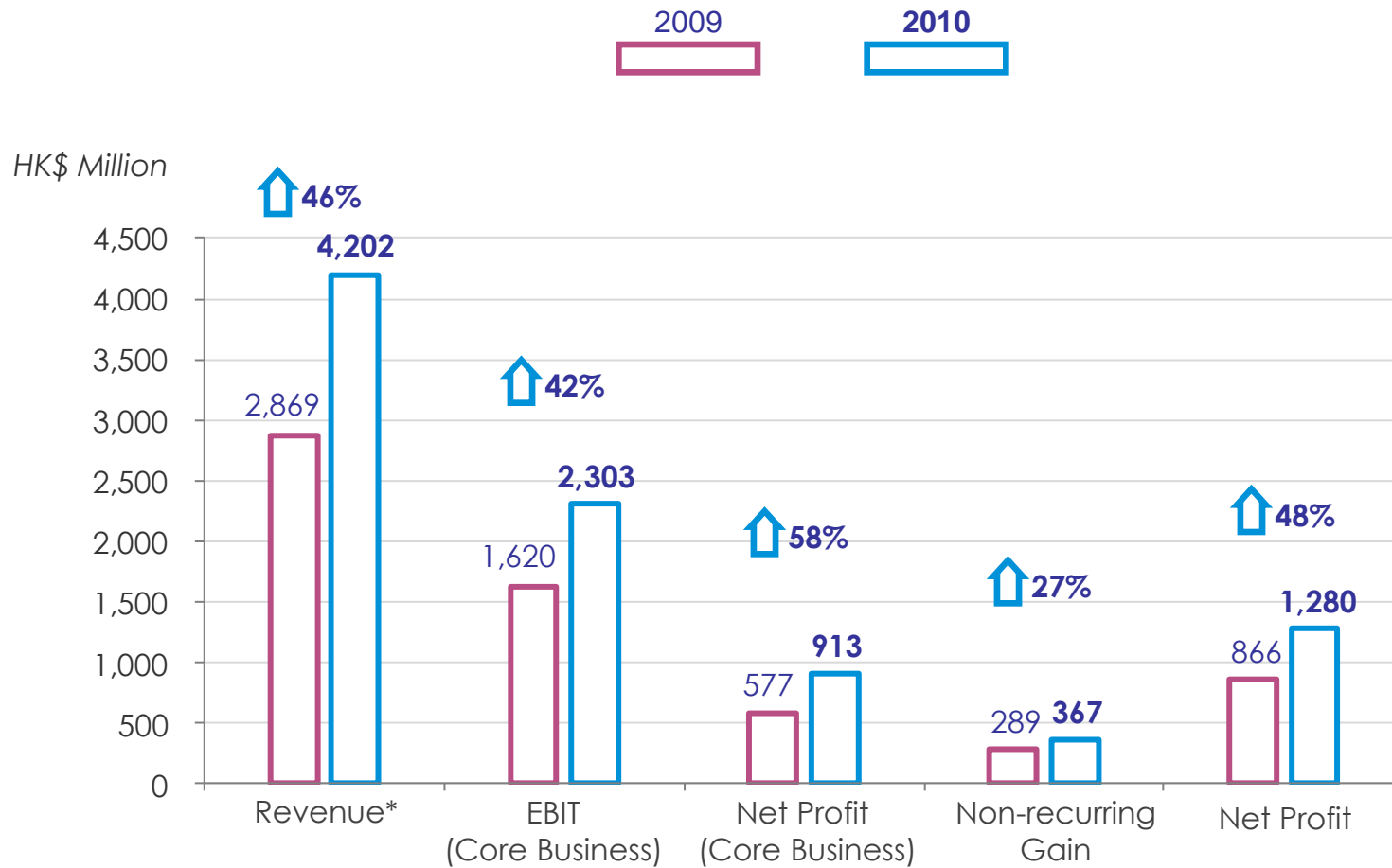
Shenzhen International Holdings Limited 深圳國際控股有限公司

Stock Code: 0152 (HK)

2010 Annual Results
Investors Presentation
31 March 2011



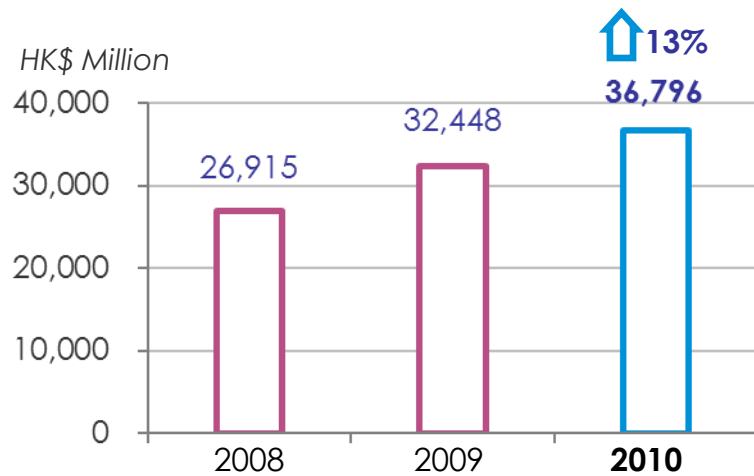
1. Results Highlights



* Exclude construction service income from toll road business

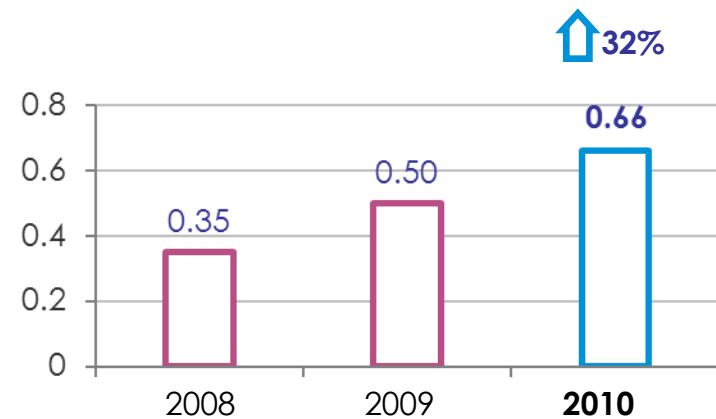
1. Results Highlights

Total Asset

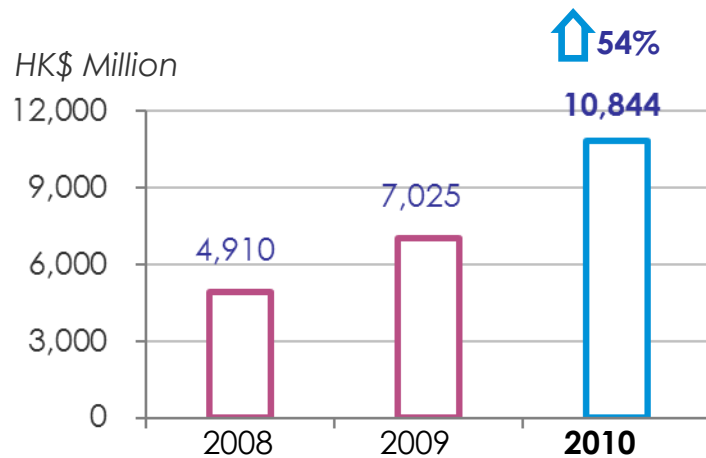


Shareholders' Value Per Share

HK Dollar



Shareholders' Value



1. Results Highlights

■■■■ Group's revenue amounted to HK\$5,112M (2009: HK\$4,081M), up 25%; Exclude construction service income, revenue was HK\$4,202M (2009: HK\$2,869M), up 46%.

■■■■ Net profit was HK\$1,280M (2009: HK\$866M), up 48%.

■■■■ Core business: EBITDA HK\$3,257M, up 49%; EBIT HK\$2,303M, up 42%.

■■■■ Core earnings HK\$913M (2009: HK\$577M), up 58%.

■■■■ Non-recurring Gain HK\$367M (2009 : HK\$289M):

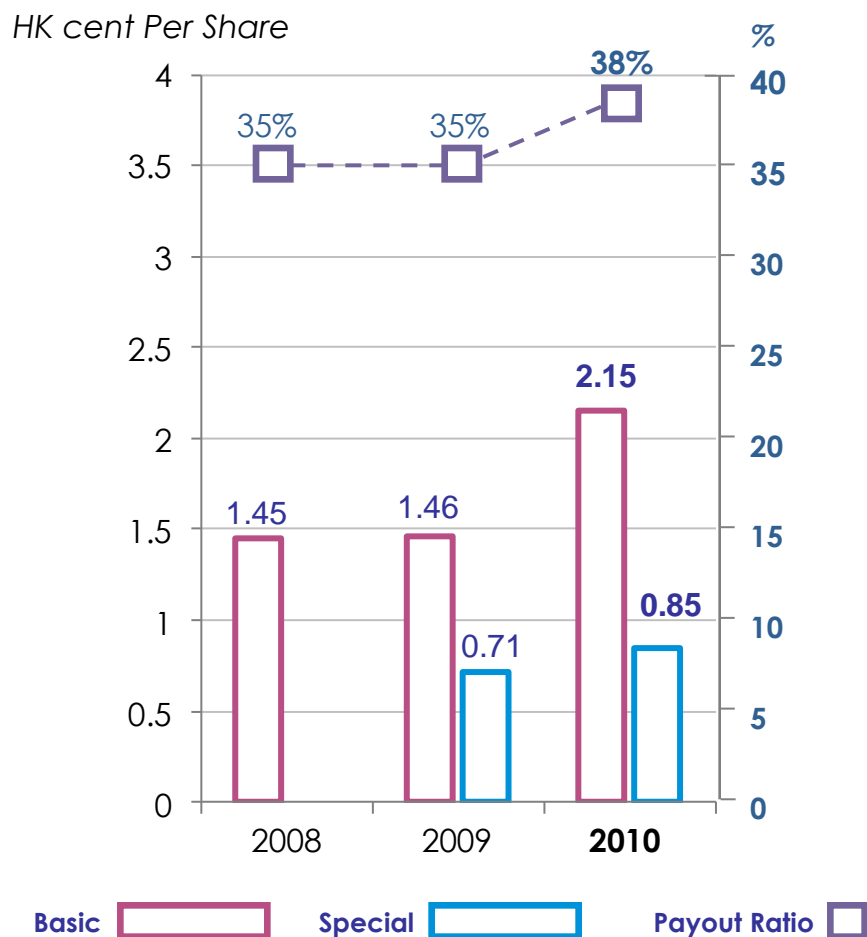
- *CSG A Shares: Disposal gain HK\$334M (2009: HK\$283M)*


■■■■ Diluted EPS was HK cents 8.66 (2009: HK cents 6.03), up 44%.

■■■■ Shareholders' value per share HK\$0.66 (2009: HK\$0.5), up 32%.

2. Dividend


Cash Dividend



 Increase payout ratio to 38% (2009: 35%).

 Basic cash dividend HK cents 2.15 per share

 Special cash dividend HK cent 0.85 per share

 Total cash dividend HK cents 3.0 per share or HK\$491M (2009: HK\$307M), ↑60%.

3. Business Overview

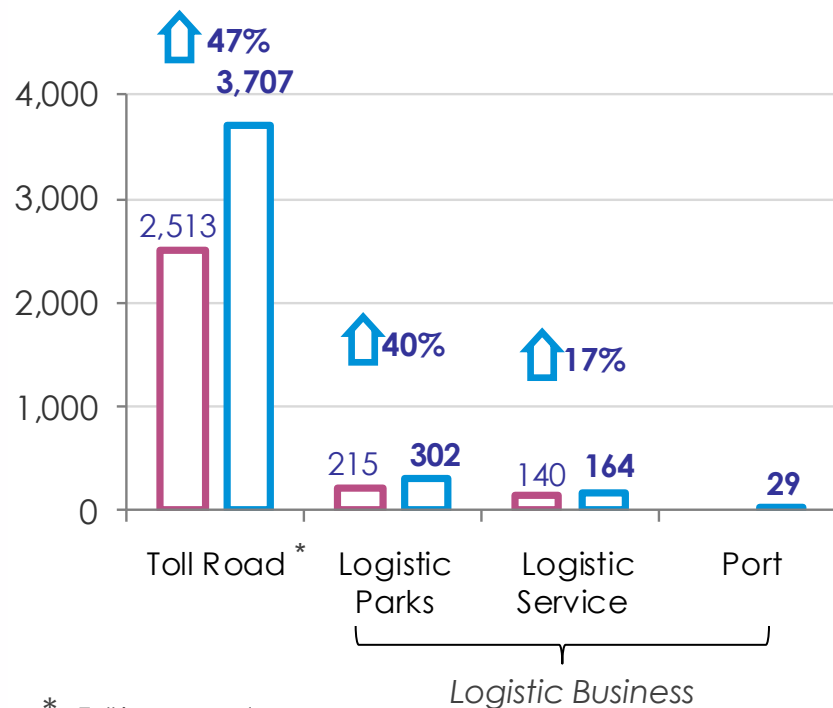
- ■ ■ ■ Significant rebound in macro-economy and in import and export market
- ■ ■ ■ Array of favourable revitalisation plans for automobile industry and an improving road network in China
- ■ ■ ■ Growth of traffic volume on toll roads and business volume of logistic segment exceed expectations
- ■ ■ ■ New toll roads contribute a significant growth to toll income
- ■ ■ ■ New logistic centre area 190,000m² put into use;
Logistic Park operating area increased 57% to 530,000m²
- ■ ■ ■ Nanjing Xiba Port commenced operation and breakeven in 8 months
- ■ ■ ■ Shenzhen Airlines added HK\$143M profit
- ■ ■ ■ Parent's HK\$1.727B CB ALL converted into equity and strengthened our financial position

4. Core Business - Revenue↑46%; EBIT↑42%

Revenue

HK\$4,202M; up 46%

HK\$ Million



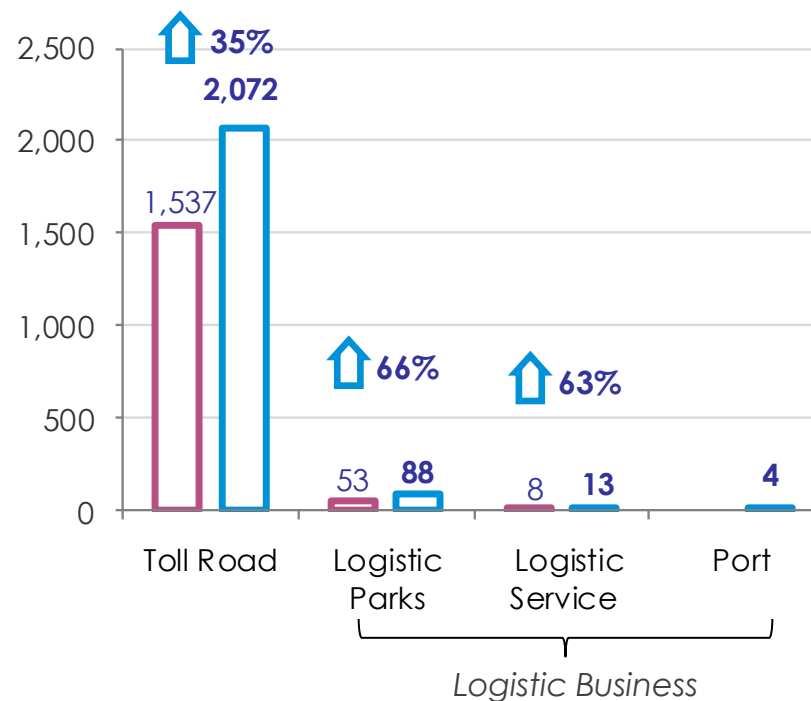
* Toll income only; exclude construction service income.

2009

EBIT

HK\$2,303M; up 42%

HK\$ Million



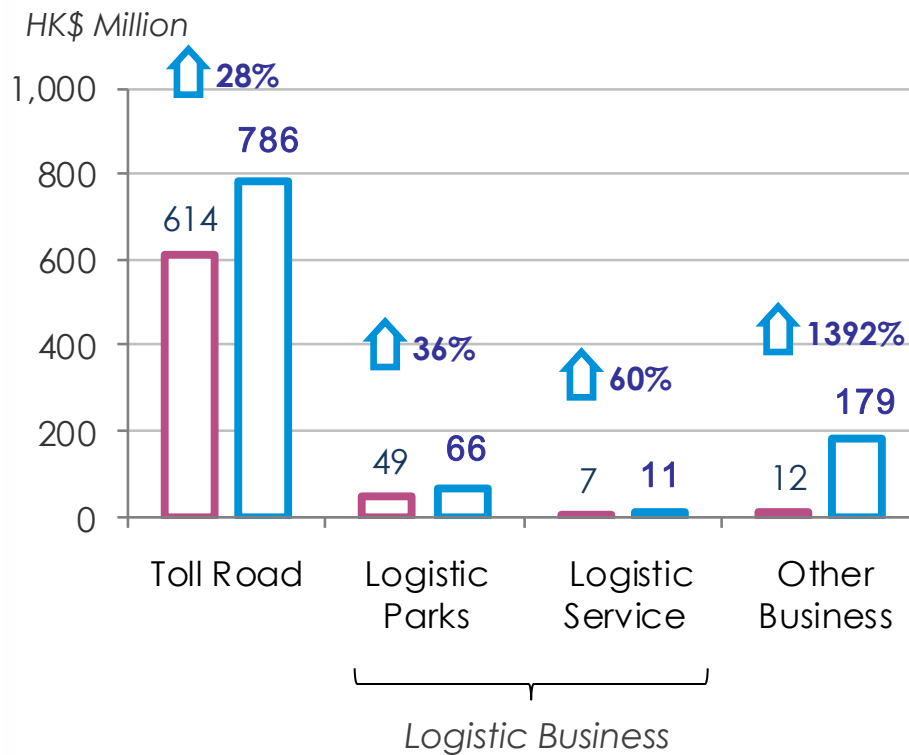
2010



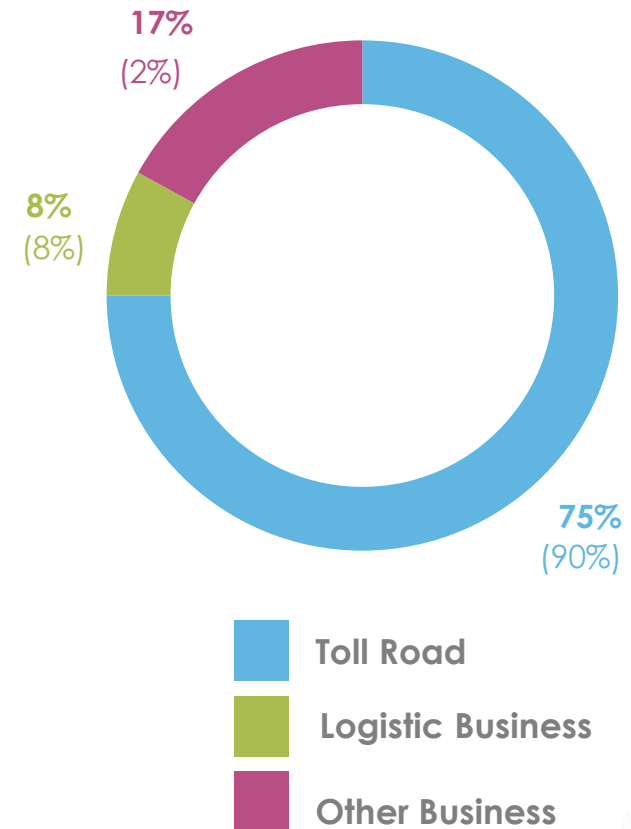
Shenzhen International
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4. Core Business – Net Profit ↑58%

Net Profit
HK\$913M; up 58%



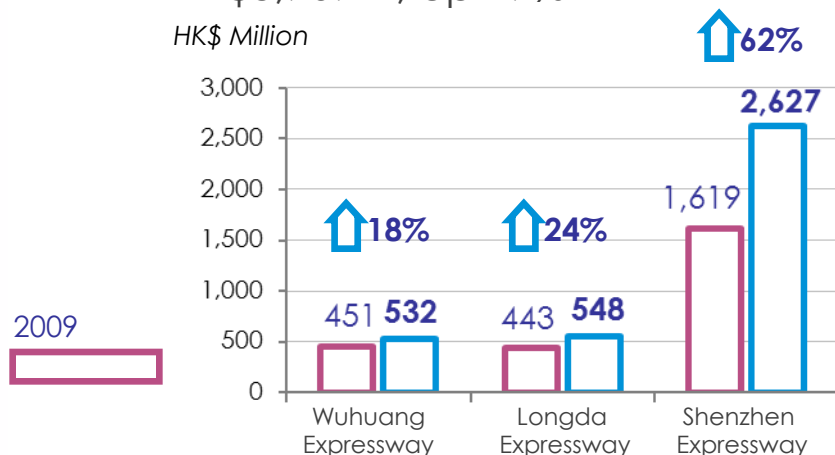
Net Profit Contribution 2010
(2009)



5. Toll Road

Toll Income
HK\$3,707M; up 47%

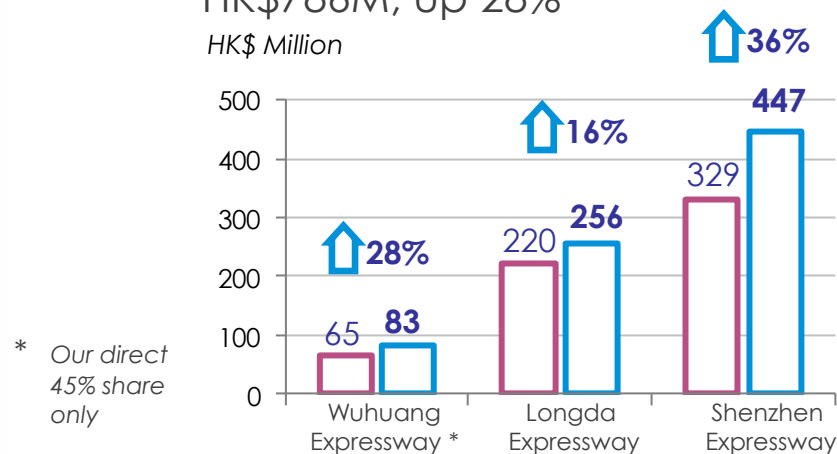
HK\$ Million



2010

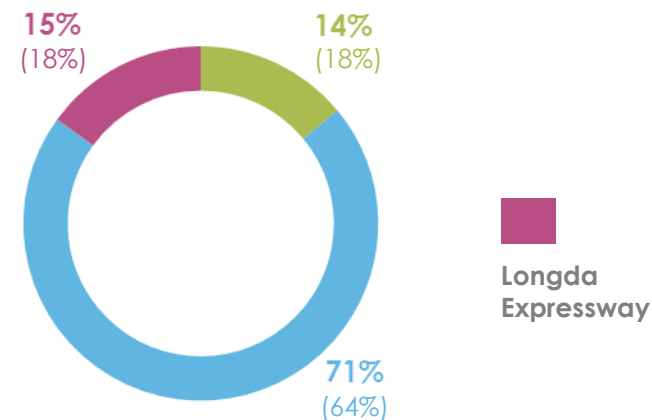
Net Profit
HK\$786M; up 28%

HK\$ Million

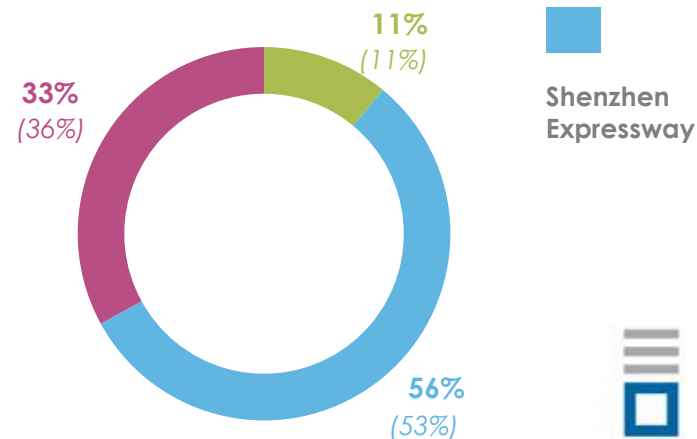


* Our direct 45% share only

Toll income contribution 2010
(2009)

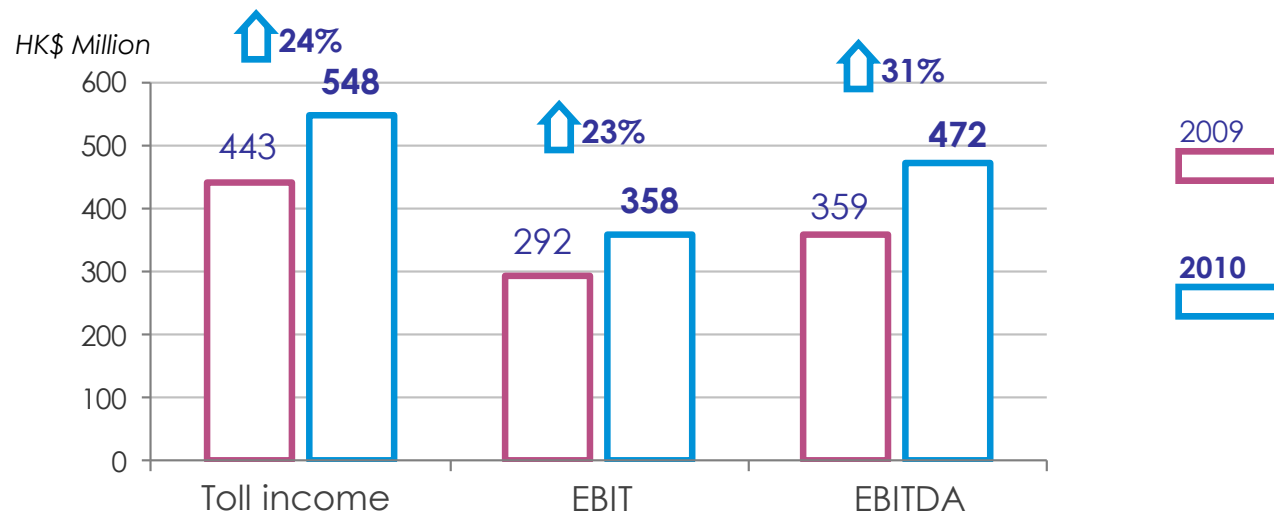


Net Profit contribution 2010
(2009)



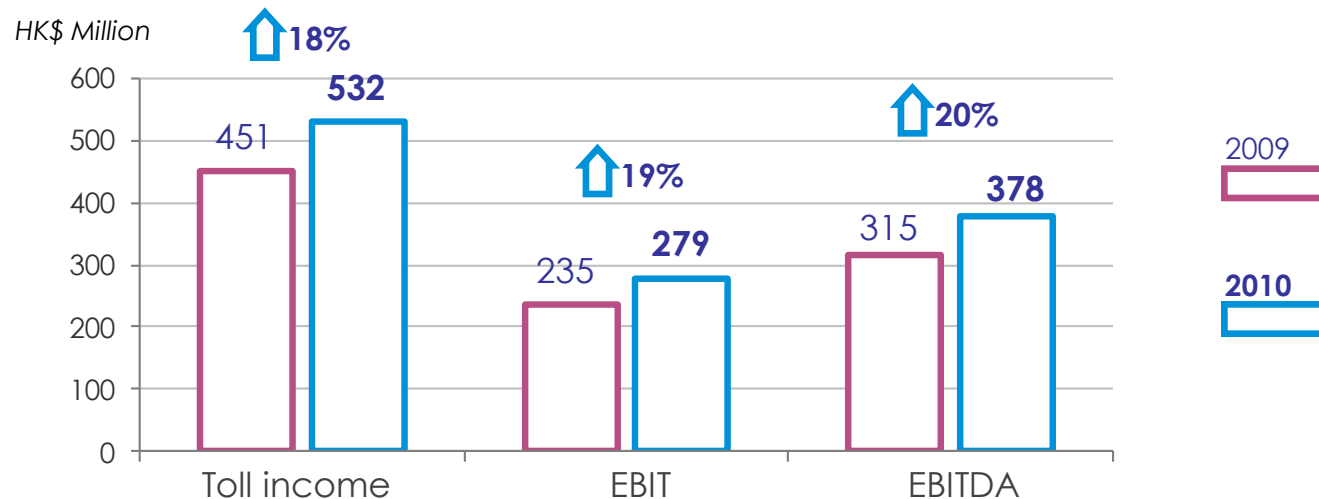
5.1 Toll Road - Longda Expressway

- ■ ■ ■ Daily Average Revenue (“DAR”) HK\$1.5M, up 24%;
Daily Mixed Traffic Volume (“DMTV”) 73,370 vehicles, up 28%
- ■ ■ ■ Major traffic growth drivers:
Class 1 vehicles up 29%: strong growth in car ownership
Class 5 vehicles (container truck) up 42%: recovery of export trade in Shenzhen
- ■ ■ ■ Toll roads in Shenzhen & Pearl River Delta area implemented inter-network tolling system, a key toll station of Longda Expressway became a beacon station and further improved traffic efficiency



5.2 Toll Road - Wuhuang Expressway

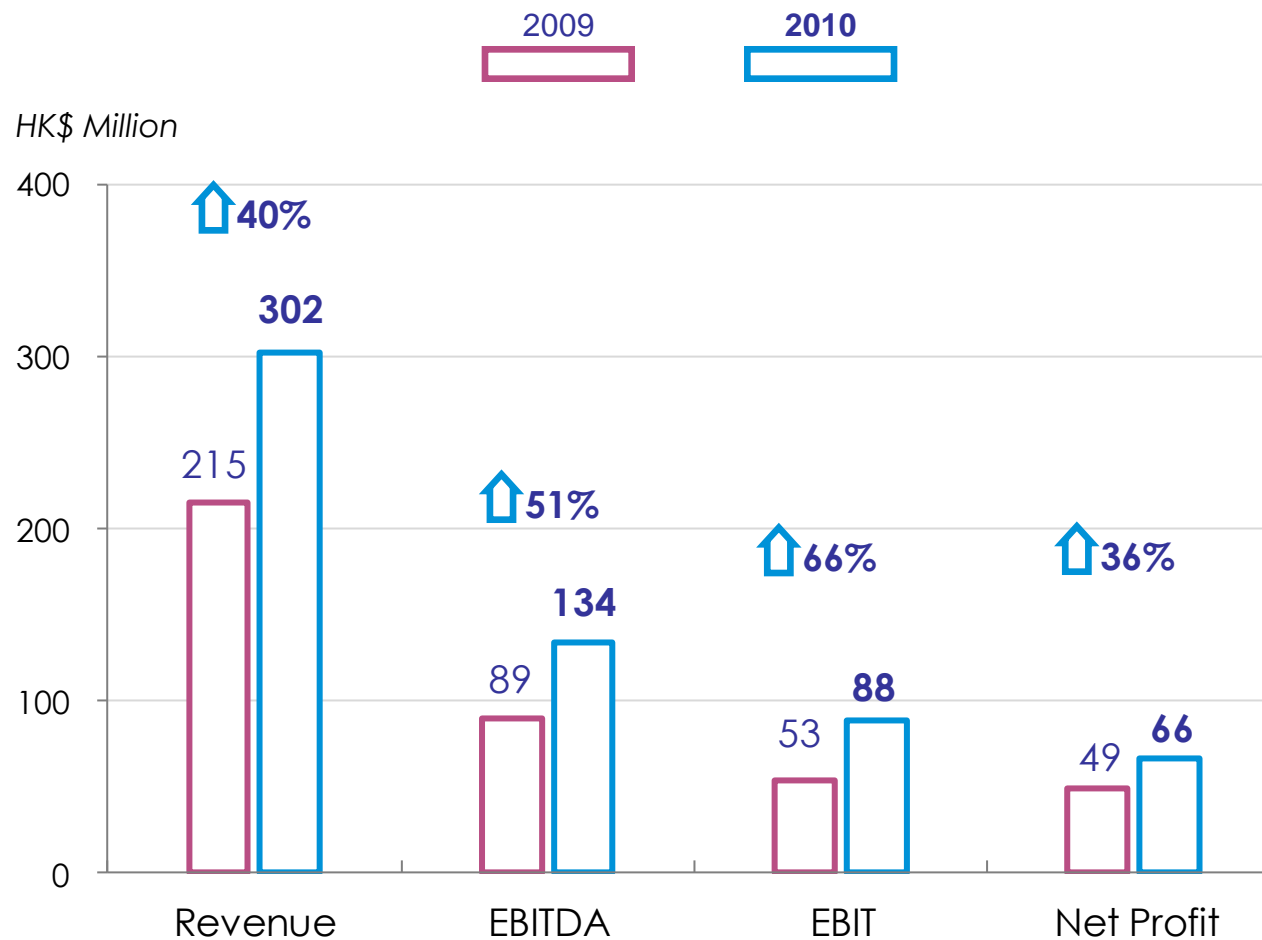
- ■ ■ ■ DAR HK\$1.46M, up 18%;
DMTV 38,070 vehicles; up 18%
- ■ ■ ■ Hubei Province 2010 GDP Growth 14.8%; Wuhan City vehicle ownership grew 16.8%
- ■ ■ ■ More new toll roads constitute a more comprehensive road network in Wuhan city and nearby area



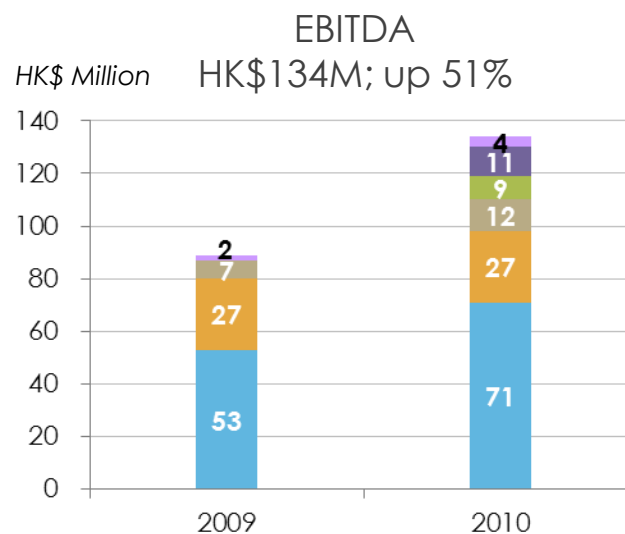
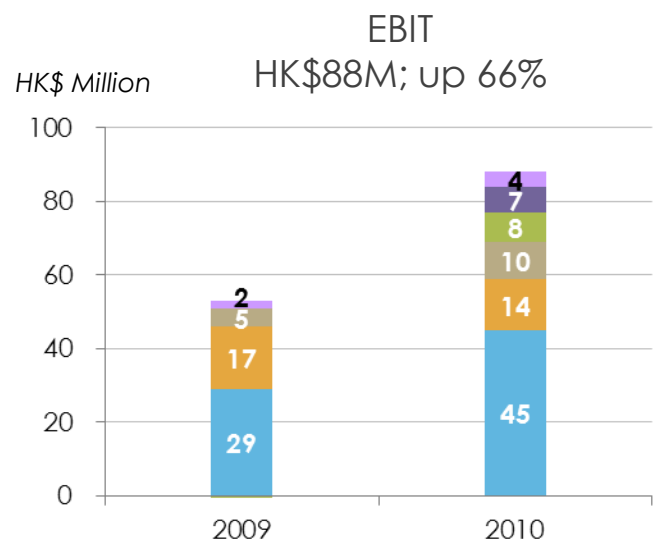
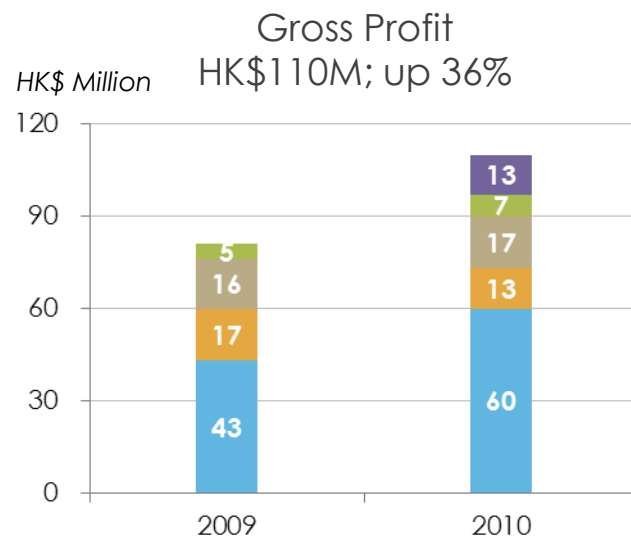
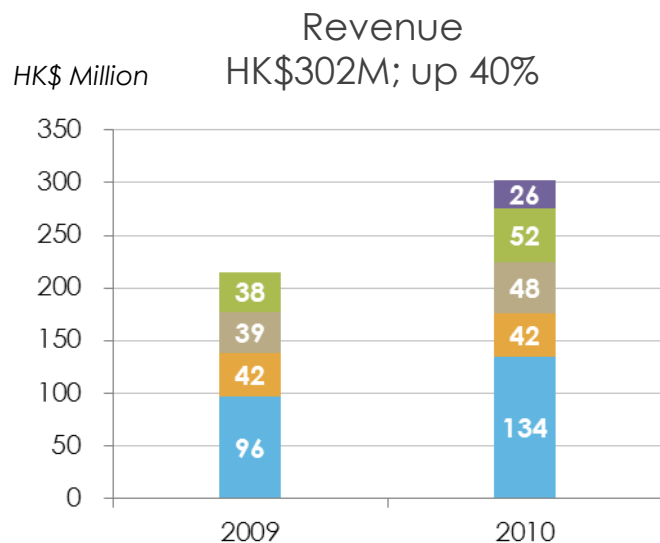
5.3 Toll Road - Shenzhen Expressway

- ■ ■ ■ Most toll roads experienced strong growth in revenue & traffic volume
- ■ ■ ■ New toll roads not only maintain strong growth in Revenue and gradually contribute new earnings
- ■ ■ ■ Key toll road Qinglian Expressway
 - reconstruction of Liannan section (27 km) completed & open for traffic in January 2011
 - key connecting road with Jing-Zhu Expressway (Hunan section), Yi Lian Expressway, will commence operation in 2011➔ significantly improve Toll Income
- ■ ■ ■ Debt ratio 59% (2009: 60%); Net Gearing 96.8% (2009: 102.8%)
- ■ ■ ■ Gearing level steadily improved; Capex significantly reduced in next four years (2011-2014 estimated at RMB2.6B)

6. Logistic Park



6. Logistic Park



6. Logistic Park

Logistic industry operating environment continue to improve in 2010

China export trade gradually recovered

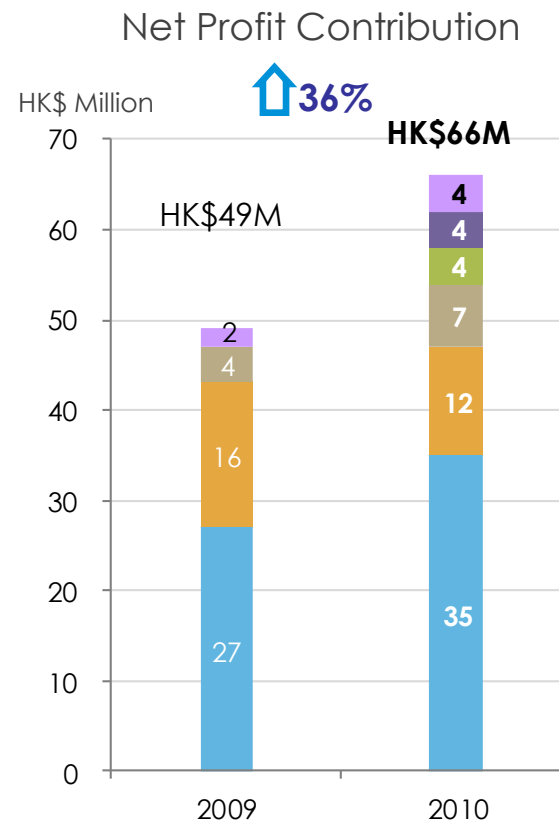
Shenzhen port throughput totalled 22.5M TEUs, increased 23% yoy and exceed pre-crisis level

Strong market demand for logistic facilities

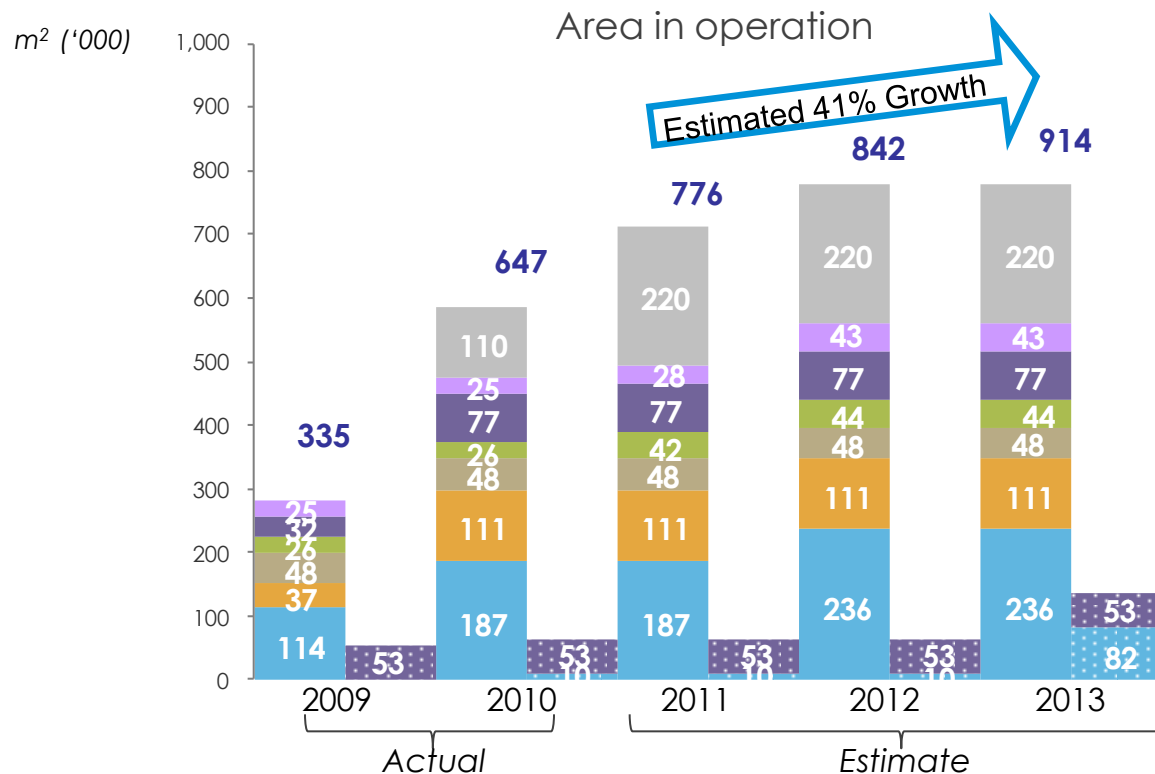
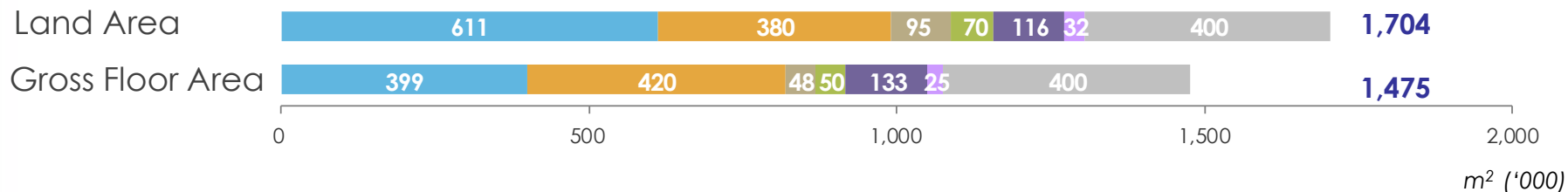
Total operating area increased 57% to 530,000m²

- Most new area reached 90% occupancy in short period

Enhanced operating scale led to economy of scale and thus improve profitability



6. Logistic Park – Operating Scale



Logistic Centre



Commercial Building



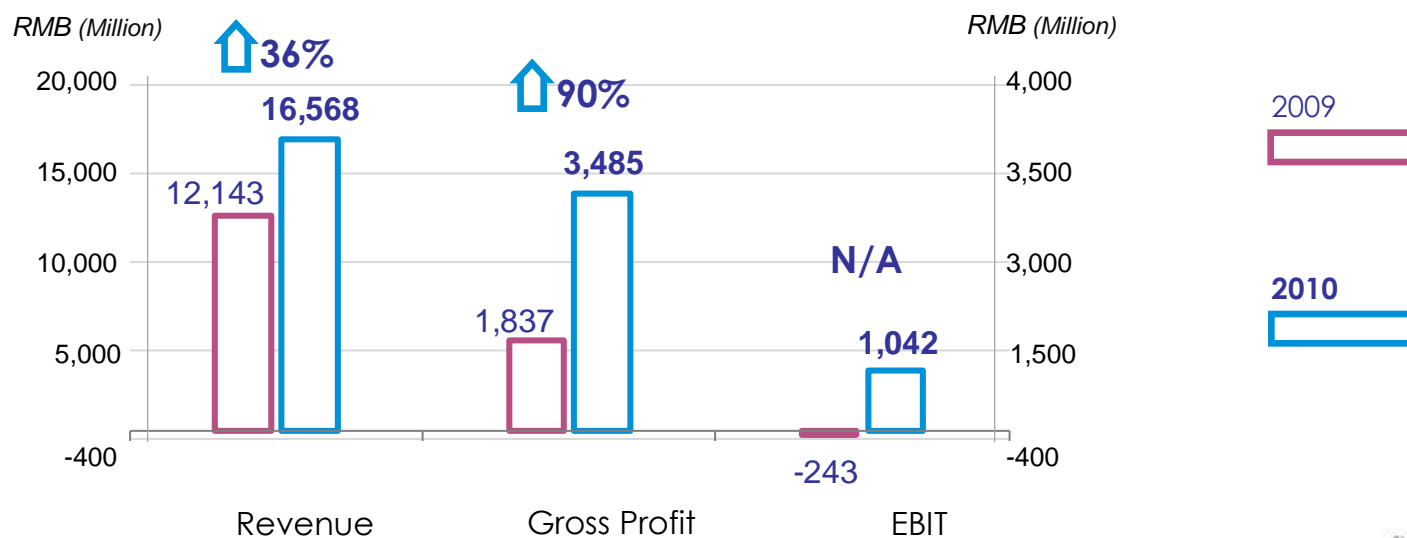
7. Port – Nanjing Xiba Port

- ■ ■ Phase 1 operation of two bulk and general terminal commenced on 26 April 2010
- ■ ■ Designed annual throughput capacity 8M tons
 - Import of iron ore and transhipment of coal
 - Dry bulk cargo within Nanjing Chemical Industrial Park
- ■ ■ From 26 Apr 2010 to 31 Dec 2010, revenue HK\$29.8M; handled throughput 2,040,000 tons
- ■ ■ Achieved positive EBIT target of HK\$3M and breakeven results in 2010
- ■ ■ Phase 2 development of 3 bulk terminals plus 700,000m² land under study



8.1 Other Business – Shenzhen Airlines

- Completed capital injection of RMB348M to Shenzhen Airlines on 19 April 2010
- Shareholding increased from 10% to 25% and became our associate
- Recognised a fair value gain on previous 10% holding of HK\$29.8M
- Total investment cost on 25% interest amounted to HK\$464M
- In line with strong recovery of domestic airlines industry, Shenzhen Airlines recorded promising results in 2010



8.1 Other Business – Shenzhen Airlines

■■■ Net profit in 2010 amount to HK\$854M (RMB743M)

■■■ Our share for the Year (20 April 2010 to 31 December 2010) was HK\$143M (RMB125M)

■■■ SZ Airlines operating performance continue to improve in 2011

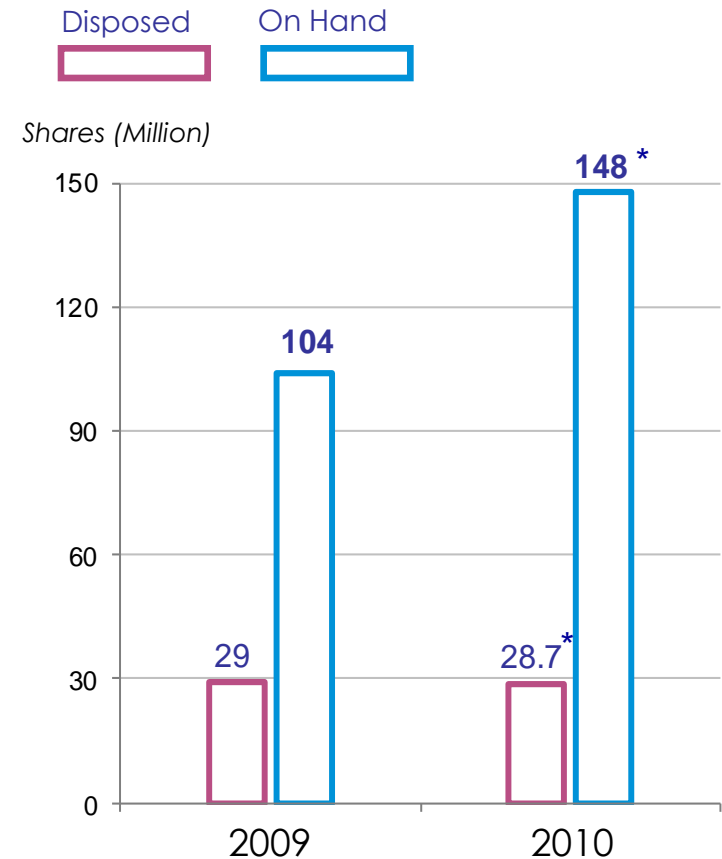
- Closer business cooperation and resources integration with Air China
- Consolidate its market position in Pearl River Delta

■■■ SZ Airlines is a strategic investment at reasonable investment cost

■■■ Overall investment return is in-line with our expectation

8.2 Other Business – CSG A Shares

- ■ ■ ■ Divestment of CSG A shares continue
- ■ ■ ■ Disposed 28.7M* shares in 2010 at average price of HK\$16.41 (RMB14.27*) per share (or 16.9M shares @ RMB24.3 per share before bonus issue), realised cash RMB409M; Net Profit HK\$334M (2009: HK\$283M)
- ■ ■ ■ At 31 December 2010, CSG A shares valued at market price of HK\$23.25 (RMB 19.75) per share; fair value gain vs cost of HK\$1.30 per share credited to equity totalled HK\$2,444M
- ■ ■ ■ Disposed another 14.62M shares at HK\$24.58 (RMB 20.88) per share in Jan and Feb 2011



* Adjusted after bonus issue of 7 for every 10 shares on 14 May 2010

9. Financial Position

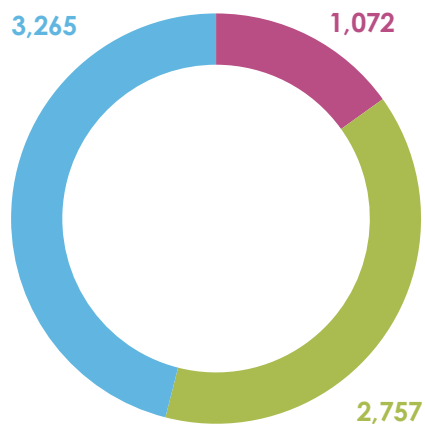
	Group			Excl. Shenzhen Expressway [#]		
	2010 HK\$ million	2009 HK\$ million	Increase / (Decrease)	2010 HK\$ million	2009 HK\$ million	Increase / (Decrease)
Total Assets	36,796	32,448	13%	15,199	11,586	31%
Total Equity	17,023	12,720	34%	10,661	6,857	55%
NAV attributable to shareholders	10,844	7,025	54%	10,815	7,041	54%
Shareholders' NAV Per Share (HK\$)	0.66	0.50	32%	0.66	0.50	32%
Cash and Cash Equivalents	2,079	1,683	24%	1,072	562	91%
Bank Borrowings	10,602	10,751	(1%)	2,757	1,869	48%
Debt Instruments - CB	1,549	3,203	(52%)	-	1,776	(100%)
- Bond	1,756	899	95%	-	-	-
- Others	42	39	8%	42	39	8%
Total Borrowings	13,949	14,892	(6%)	2,799	3,684	(24%)
Net Borrowings	11,870	13,209	(10%)	1,727	3,122	(45%)
Debt Asset Ratio (Total Liabilities / Total Assets)	54%	61%	(7%)*	30%	41%	(11%)*
Total Borrowings / Total Assets	38%	46%	(8%)*	18%	32%	(14%)*
Ratio of Net Borrowings to Total Equity	70%	104%	(34%)*	16%	46%	(30%)*
Ratio of Total Borrowings to Total Equity	82%	118%	(36%)*	26%	54%	(28%)*

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

* Change in percentage point

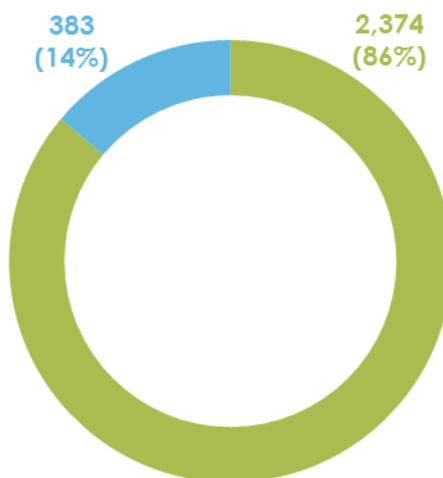
9. Financial Position

Cash & Banking Facilities
(HK\$ million)



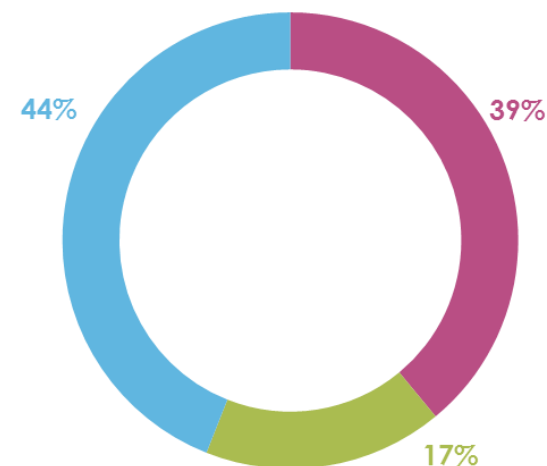
- Cash in hand
- Bank borrowings
- Standing banking facilities

Bank Borrowings in currency
(HK\$ million)



- HKD
- RMB

Bank Borrowings Repayment Period
HK\$2,757M

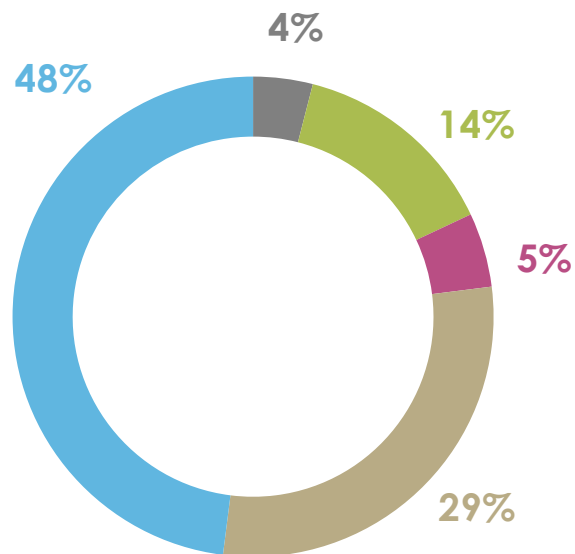


- Within 1 year
- Within 2 years
- 3 years or above

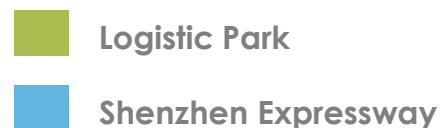
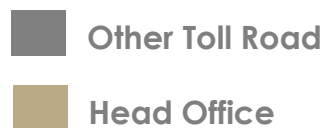
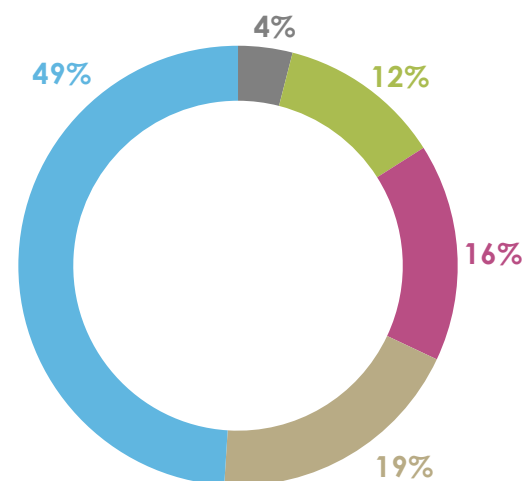
* All figures above exclude Shenzhen Expressway

10. 2011 Capex – HK\$3,897M (RMB3,313M)

2011 Capex Estimate
HK\$3,897M (RMB3,313M)



2010 Actual
HK\$2,660M (RMB2,260M)



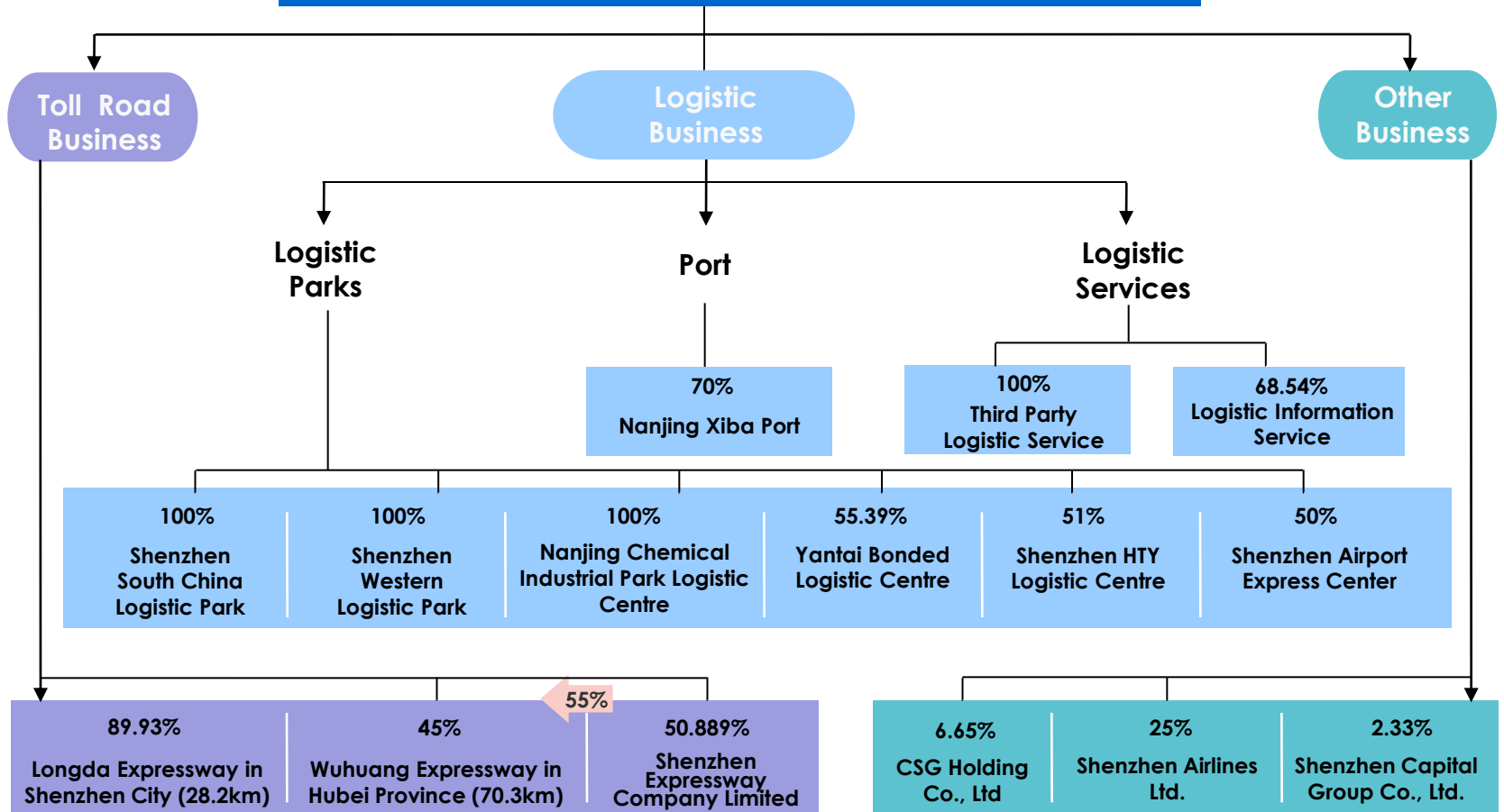
11. Outlook

- Toll road business possess stable income and earnings. New projects in recent years gradually mature and provide a stable growth to the business
- Logistic business has good growth potential. The land of our logistic park have high intrinsic value. Commitment and innovation are keys to exploit these values
- Our financial position is strong and lay a solid foundation to further development
- Major plan in 2011:-
 - step up investment in new projects
 - quicken pace of development of existing projects
 - enhance profitability & service standards
 - integrate resources & enhance their intrinsic value
 - further improve internal management standards

Appendix



Shenzhen International Holdings Limited



Appendix II – Income Statement

HK\$ Million	2010	2009	Change
Revenue	5,112	4,081	25%
Cost of sales	(2,994)	(2,636)	14%
Gross profit	2,118	1,445	47%
Other gains – net	489	392	25%
Other income	83	86	(4%)
Distribution costs	(27)	(23)	19%
Administrative expenses	(244)	(201)	21%
Other operating expenses	-	(11)	N/A
Operating profit	2,419	1,688	43%
Share of profit of jointly controlled entities	8	205	(96%)
Share of profit of associates	350	92	279%
Profit before finance costs and tax	2,777	1,985	40%
Finance costs – net	(632)	(541)	17%
Profit before income tax	2,145	1,444	49%
Income tax expense	(453)	(267)	70%
Profit for the year	1,692	1,177	44%
Non-controlling interest	412	311	33%
Net profit attributable to Shareholder	1,280	866	48%
Basic EPS (HK cents per share)	9.03	6.17	46%

Appendix III – Segment Results

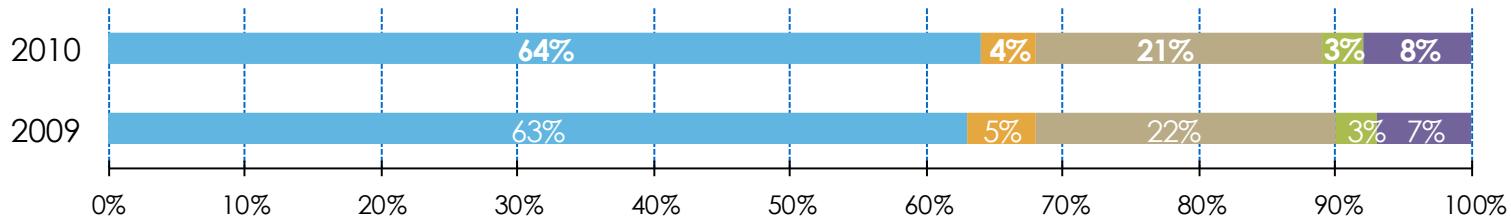
HK\$ Million	Revenue		Operating profit		Share of results of associates & JVs		EBIT	
	2010	2009	2010	2009	2010	2009	2010	2009
Toll Road								
Toll income	3,707	2,513	1,863	1,241	209	295	2,072	1,536
Construction service income	910	1,212	-	1	-	-	-	1
	4,617	3,725	1,863	1,242	209	295	2,072	1,537
Logistic Business								
Logistic Park	302	215	84	50	5	2	89	52
Logistic Service	164	140	13	8	1	-	14	8
Port	29	-	3	-	-	-	3	-
	5,112	4,080	1,963	1,300	215	297	2,178	1,597
Head office	-	1	456	388	143	-	599	388
	5,112	4,081	2,419	1,688	358	297	2,777	1,985
Finance income							21	28
Finance costs							(653)	(569)
Finance costs - net							(632)	(541)
Profit before income tax & NCI							2,145	1,444



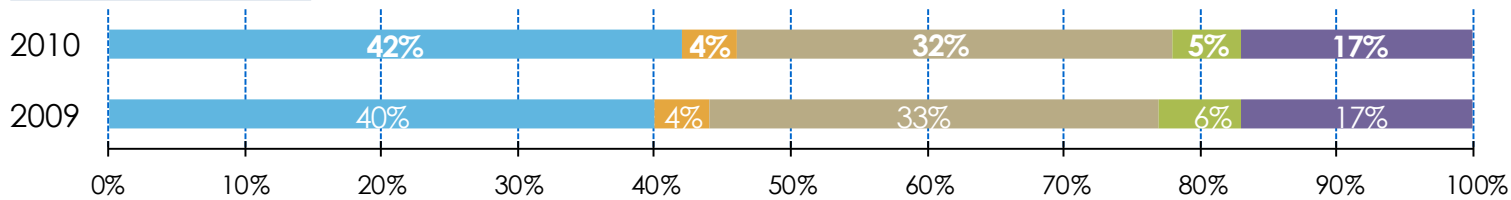
Appendix IV – Toll Road

Longda Expressway

DMTV Distribution

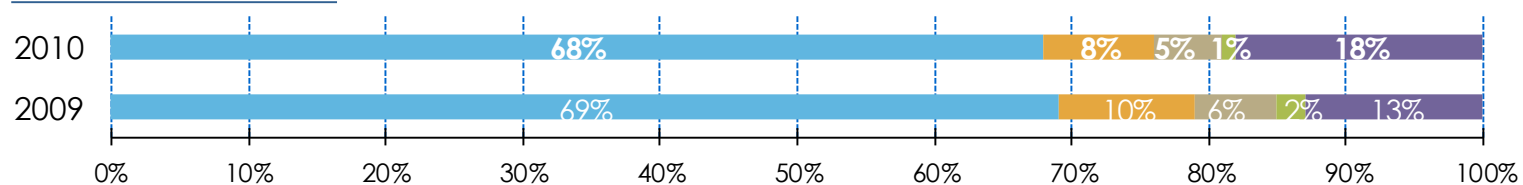


DAR Distribution

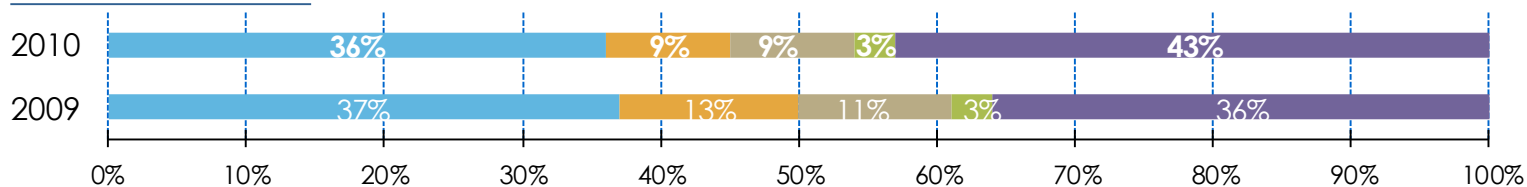


Wuhuang Expressway

DMTV Distribution



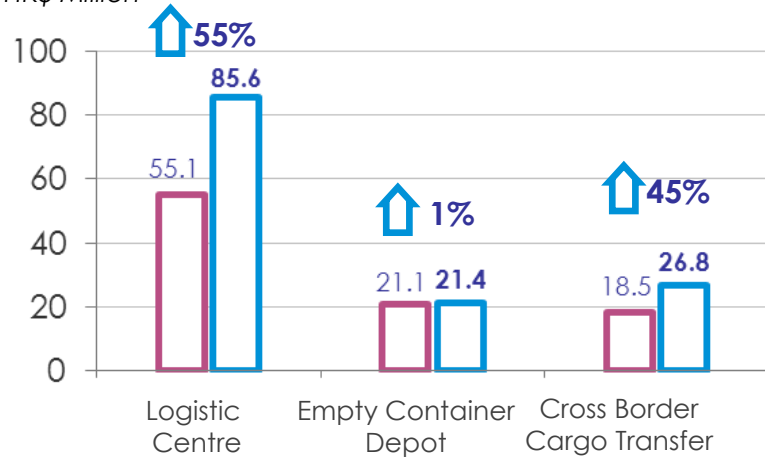
DAR Distribution



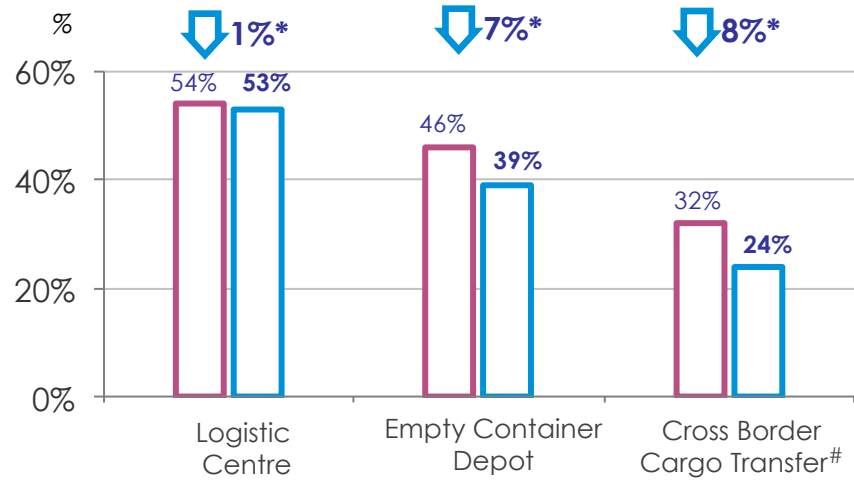
Appendix V(a) – Logistic Park – South China Logistics

Revenue
HK\$133.8M, up 40%

HK\$ Million



Gross Profit %
45%, down 3%*



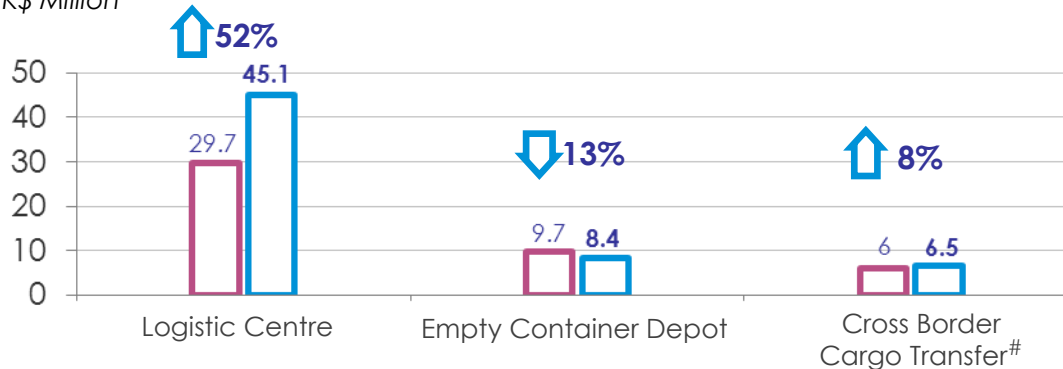
* Change in percentage point

Gross Profit
HK\$60M, up 32%

2009

2010

HK\$ Million



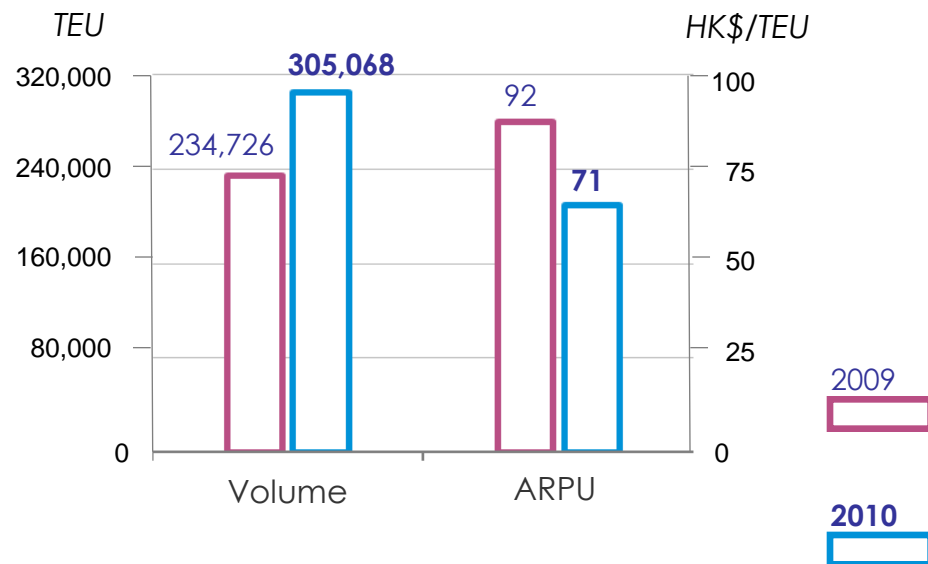
In 2010, certain labour related costs totalling HK\$2.49M (2009: HK\$2.23M) are re-classified from administrative expenses to cost of sales.

Appendix V(b) – Logistic Park – South China Logistics

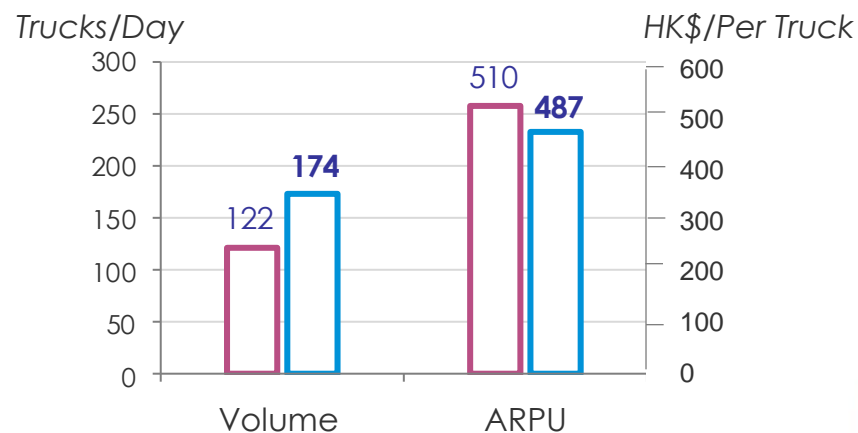
Logistic Centre



Empty Container Depot

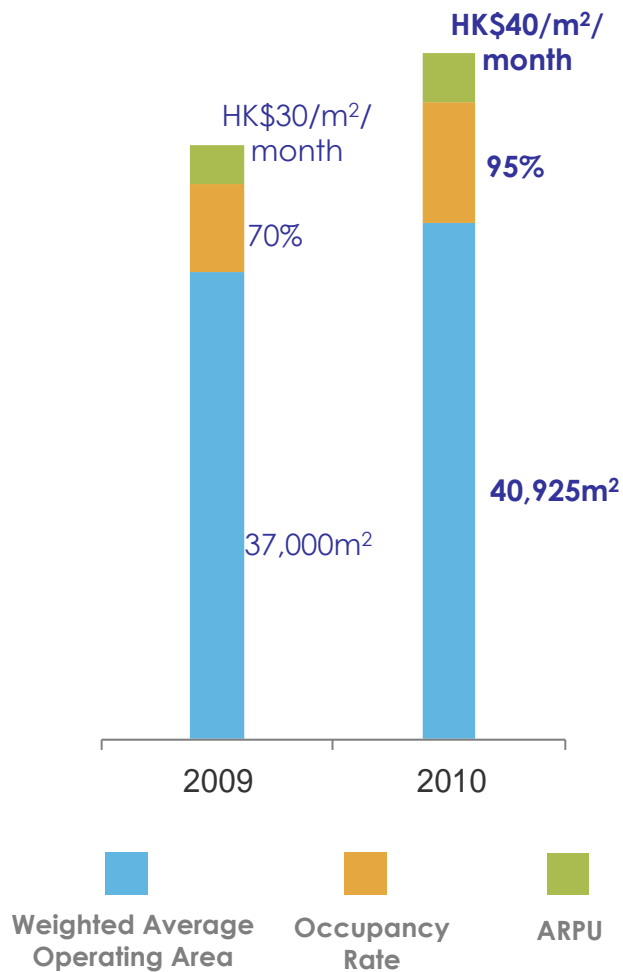


Cross Border Cargo Transfer



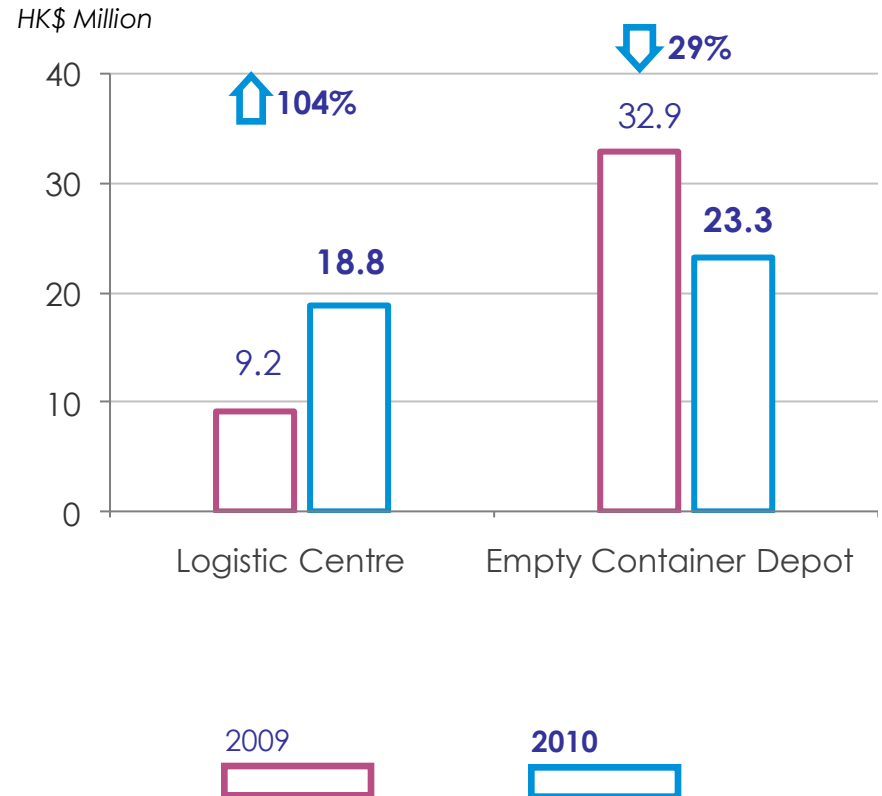
Appendix VI – Logistic Park – Western Logistics

Logistic Centre

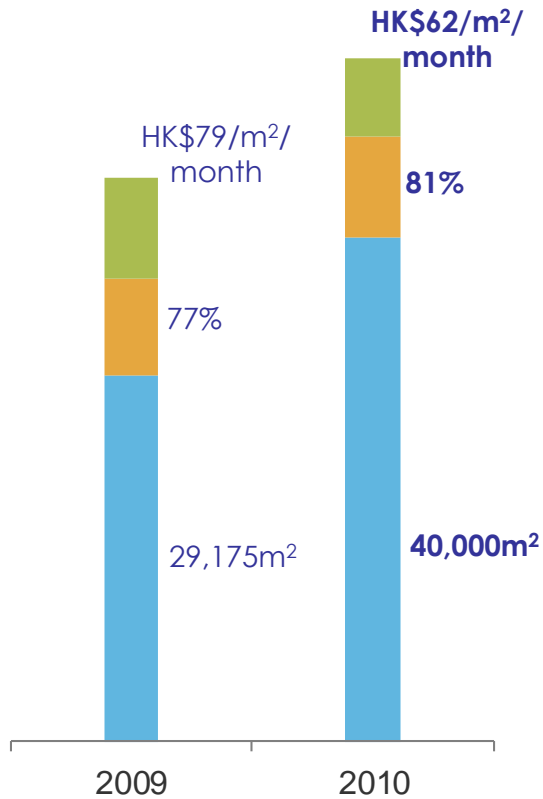


Revenue

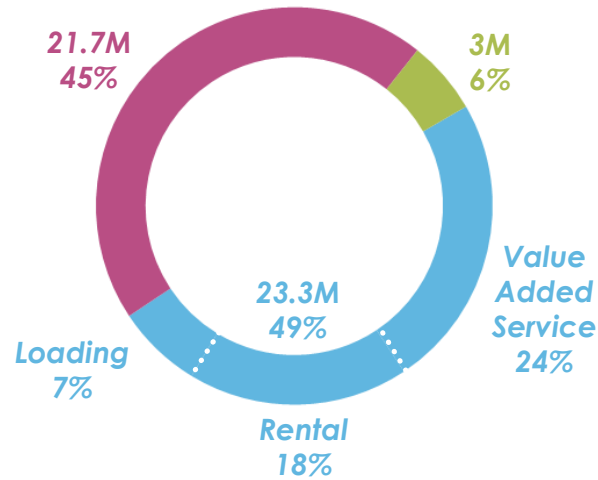
HK\$42.1M (2009: HK\$42.1M)



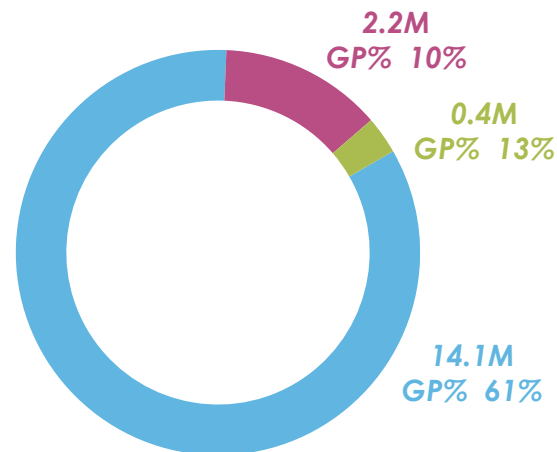
Logistic Centre



Revenue
HK\$48M, up 24%

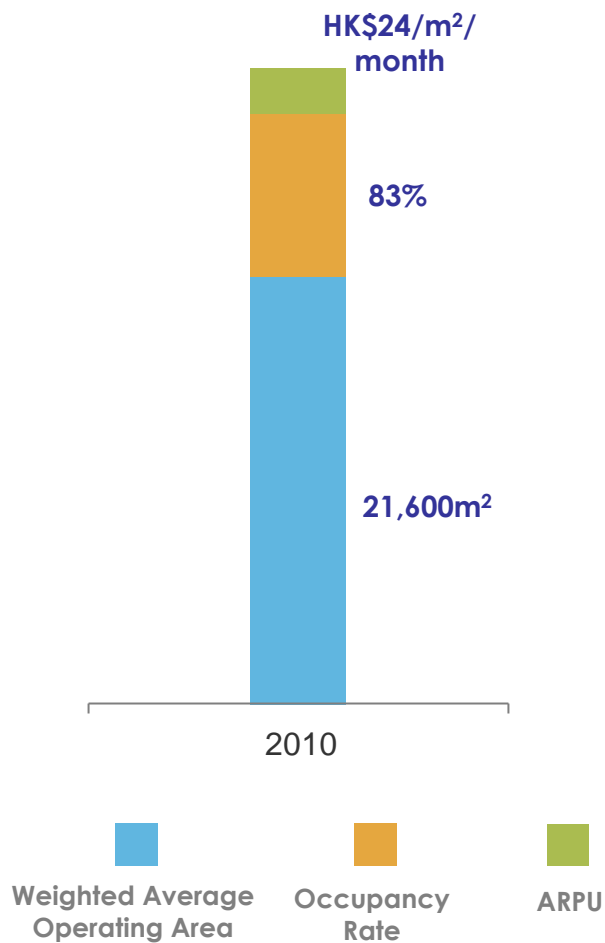


Gross Profit
HK\$16.7M; up 6%

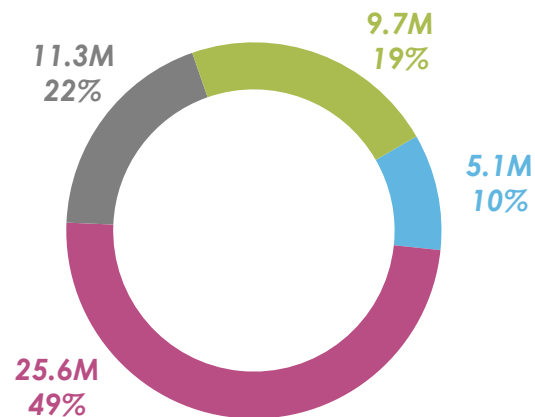


Appendix VIII – Logistic Park – Yantai Bonded Logistic Centre

Logistic Centre

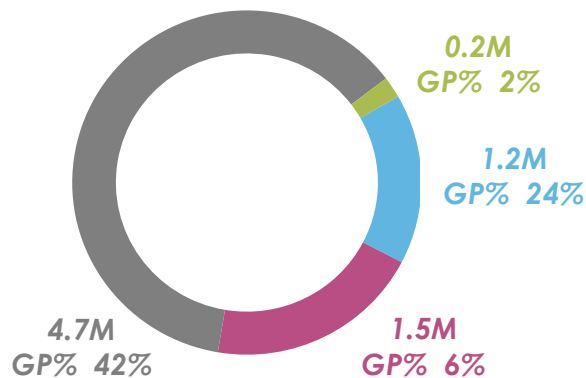


Revenue HK\$51.7M, up 35%



- Logistic Centre
- Transportation
- Logistic Service
- Others

Gross Profit HK\$7.6M, up 54%



Appendix IX(a) – Other Business – Shenzhen Airlines

RMB 'Million	2010	2009	Increase
Transportation Revenue	14,935	11,694	28%
Passenger Revenue (excl. Fuel)	13,541	11,062	22%
Revenue from fuel	767	146	425%
Cargo revenue	627	486	29%
Transportation Costs	13,758	11,405	21%
Transportation Profit	1,177	289	307%
Operating Profit	909	466	95%
ASK revenue – excl. fuel (RMB)	0.4732	0.4182	13%
ASK revenue – incl. fuel (RMB)	0.5000	0.4237	18%
Cost per ASK	0.4808	0.4311	12%

Appendix IX(b) – Other Business – Shenzhen Airlines

Passenger		2010	2009	Increase/ (Decrease)
Capacity – Available Seat Kilometres	Million	28,620	26,450	8%
Revenue Passenger Kilometres (“RPK”)	Million	22,910	20,550	11%
Passenger load factor	%	80.06	77.69	2.37%*
Passenger yield	RMB 'M	14,308	11,208	28%
Yield per RPK	RMB	0.5000	0.4237	18%
Average ticket fare				17%

Cargo

Capacity – Available freight tonne kilometres	Million	474.79	506.46	(6%)
Revenue Freight Tonne Kilometres (“RFTK”)	Million	356	306	16%
Cargo & Mail load factor	%	74.99	60.45	14.54%*
Cargo yield	RMB 'M	626.6	485.7	29%
Yield per RFTK	RMB	1.32	0.96	38%

* Change in percentage point

Appendix IX(c) – Other Business – Shenzhen Airlines

		2010	2009	Increase/ (Decrease)
Passengers carried	<i>Thousand</i>	16,489	15,109	9%
Cargo & Mail carried	<i>Tonnes</i>	228,521	195,334	17%
Kilometers flown	<i>Million</i>	184	172	7%
Block hours	<i>Thousand</i>	296	277	7%
Number of flights		119,678	113,951	5%
Domestic		113,978	109,888	4%
International		5,700	4,063	40%
Fleet				
Total no. of aircraft in service		93	80	16%
Aircraft utilisation	<i>Block hours per day</i>	9.25	9.69	(0.44 hr)

- This presentation is prepared in good faith, based on audited financial data, management information, publicly available information, and management's outlook as of 30 March 2011. 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.

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

Stock Code: 0152 (HK)

- End -

Tel: (852) 2366 0268 / (86-755) 8307 9999

Fax: (852) 2739 5123 / (86-755) 8307 9988

Email: info@szihl.com

<http://www.szihl.com>