



Shenzhen International
深國際

Investor Presentation

Interim Results 2011

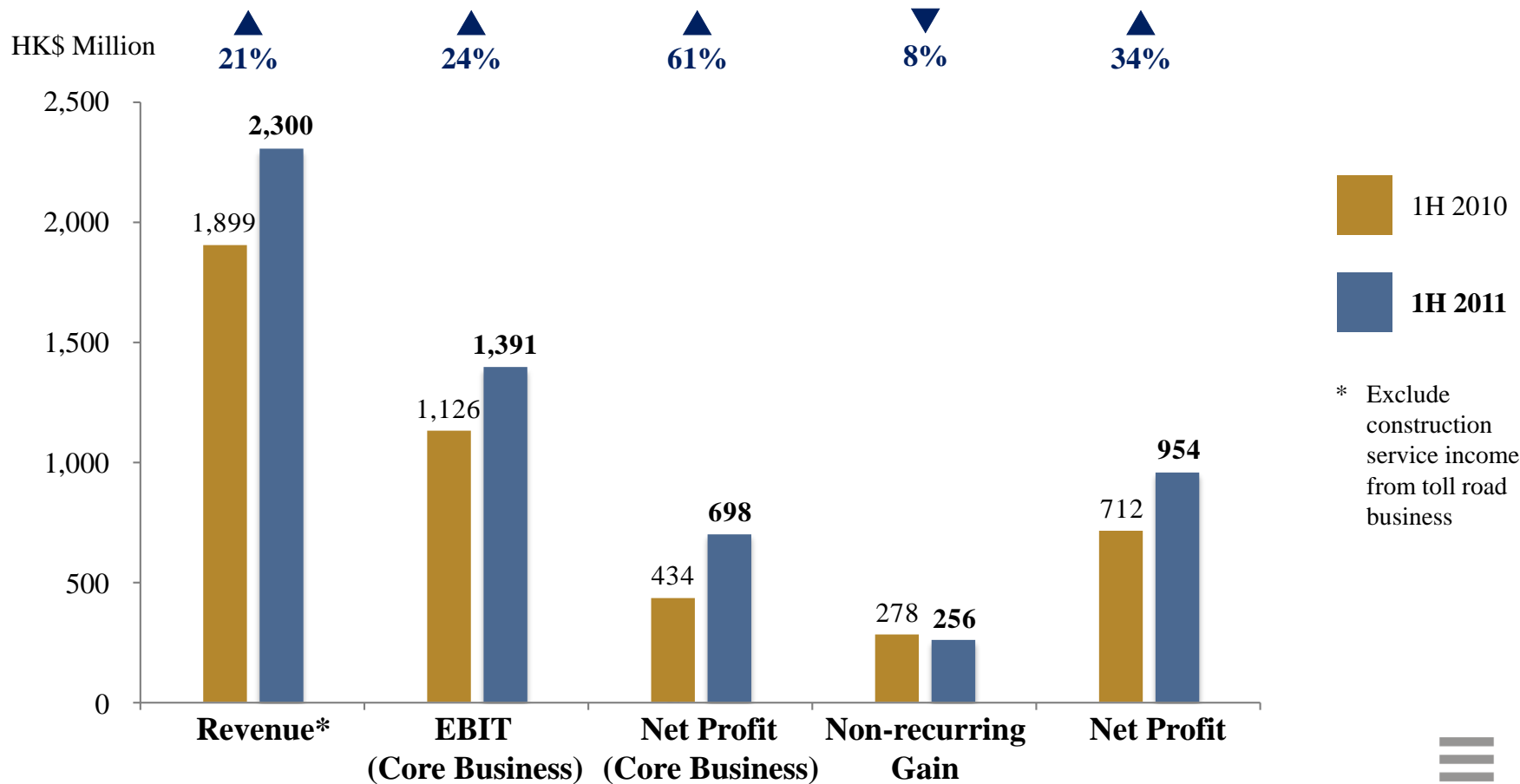


Stock Code: 0152 (HK)

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

17 August 2011

1. Results Highlights



1. Results Highlights

- **Group's revenue amounted to HK\$2,742M (2010: HK\$2,266M), up 21%; Exclude construction service income, revenue was HK\$2,300M (2010: HK\$1,899M), up 21%**
- **Profit attributable to shareholders was HK\$954M (2010: HK\$712M), up 34%**
- **Core business: EBITDA HK\$1,896M, up 21%; EBIT HK\$1,391M, up 24%**
- **Core earnings HK\$698M (2010: HK\$434M), up 61%**
- **CSG A Shares disposal gain HK\$256M (2010: HK\$257M)**
- **Diluted EPS was HK cents 5.81 (2010: HK cents 4.79), up 21%**
- **Shareholders' value per share HK\$0.68 (31/12/2010: HK\$0.66)**

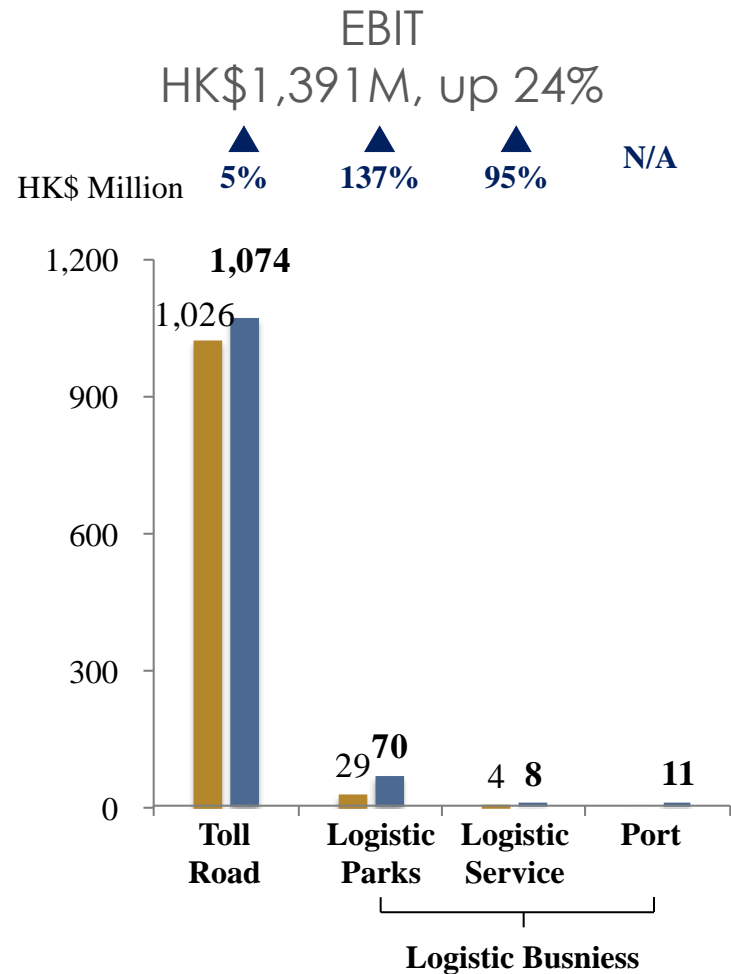
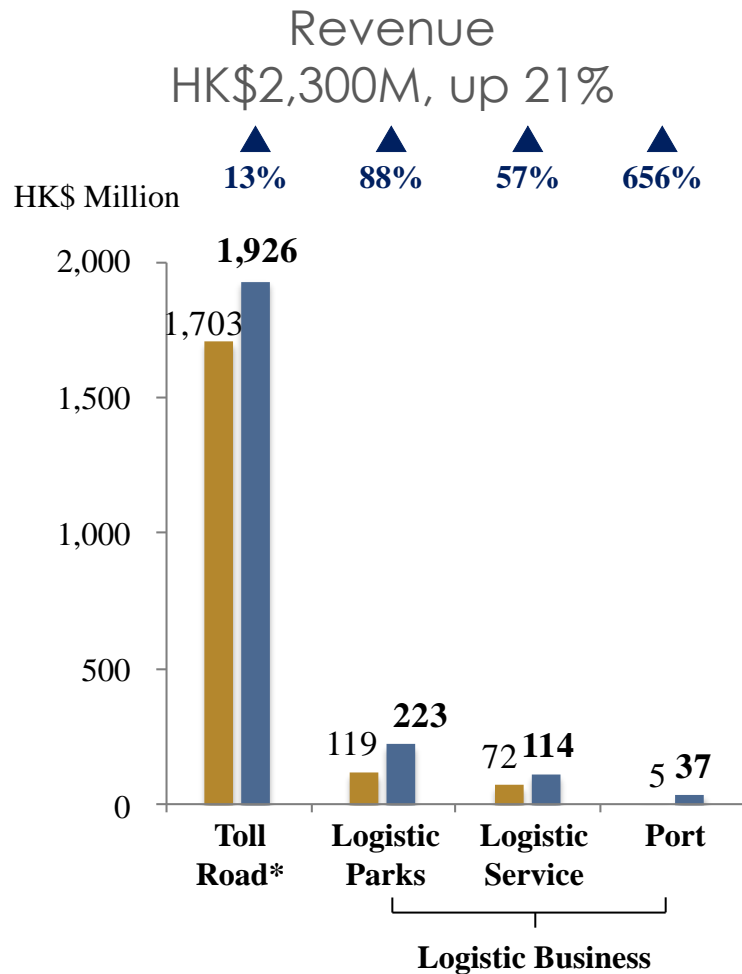


2. Business Overview

- **Following significant rebound last year, China economy record moderate growth in 1H 2011**
- **Government put more emphasis on and aim to further develop logistic industry**
 - ≡ enhance policy to support land development and lower tax costs
- **Through active development of new business and expansion of operating scale, Group's results maintain a strong growth trend.**
- **Logistic business record robust growth with revenue surged 91% and net profit increased by 1.3 times**
- **Toll road business maintain stable but upward cost trend mitigated profit growth**
- **Profit from Shenzhen Airlines was 3.5 times of 2010 due to a full half-year contribution and its strong operating performance**



3. Core Business – Revenue ↑21%; EBIT ↑24%

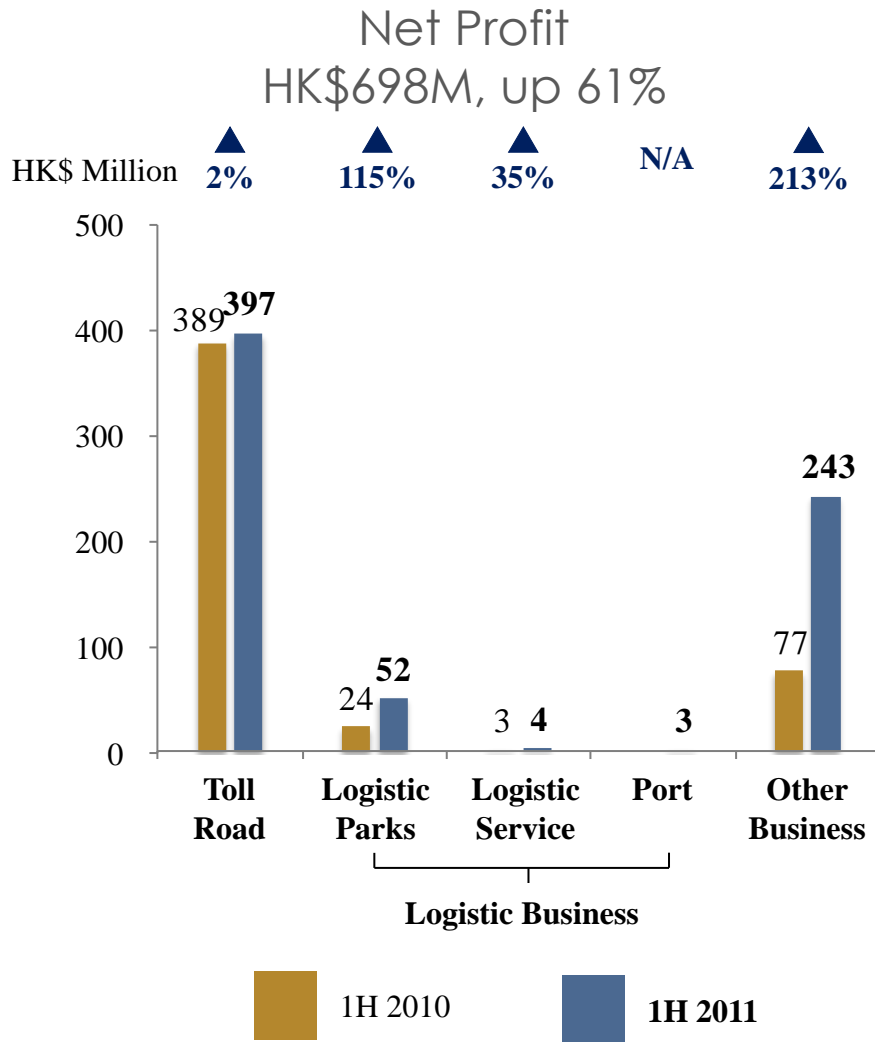


■ 1H 2010
■ 1H 2011

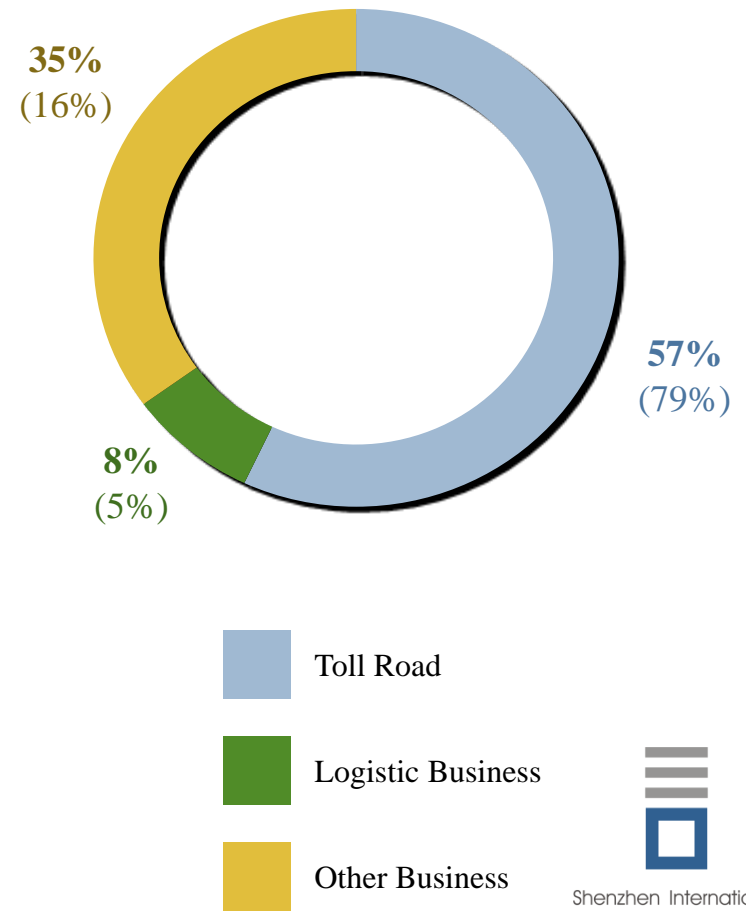
* Toll income only; exclude construction service income.



3. Core Business – Net Profit ↑61%



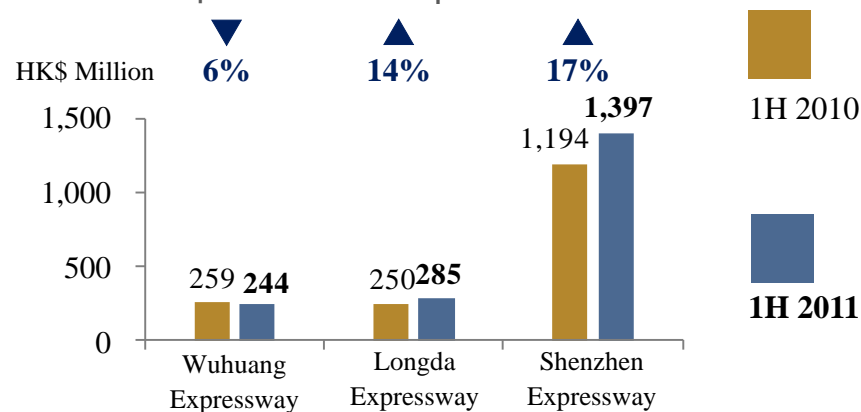
Net Profit Contribution 1H 2011
(1H 2010)



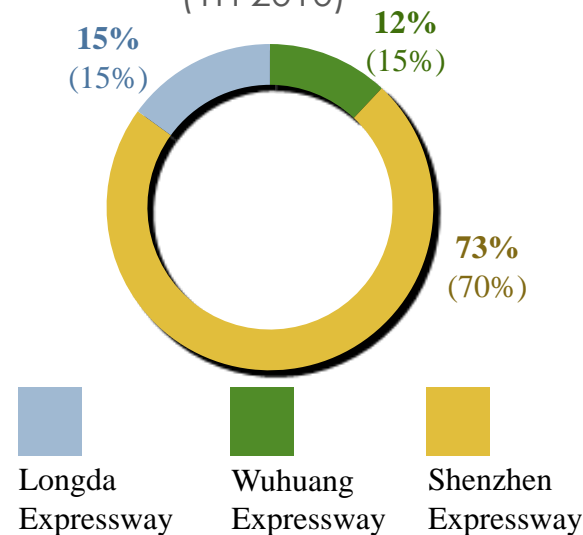
4. Toll Road

- Traffic volume growth was steady in 1H, coupled with opening of new roads, toll income maintain a growth trend
- But growth had slowed down compared to the period in 2010
- Longda Expressway:
 - ≡ Completion of extension section in 1H enhanced traffic flow and drive revenue growth
- Wuhuang Expressway:
 - ≡ Diversion of vehicles and traffic control measures caused dropped in revenue

Toll Income
HK\$1,926M, up 13%



Toll Income Contribution 1H 2011
(1H 2010)

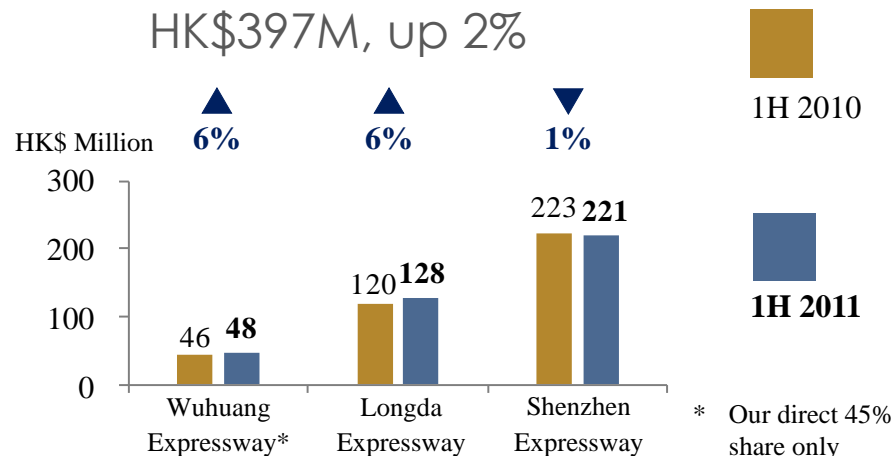


4. Toll Road

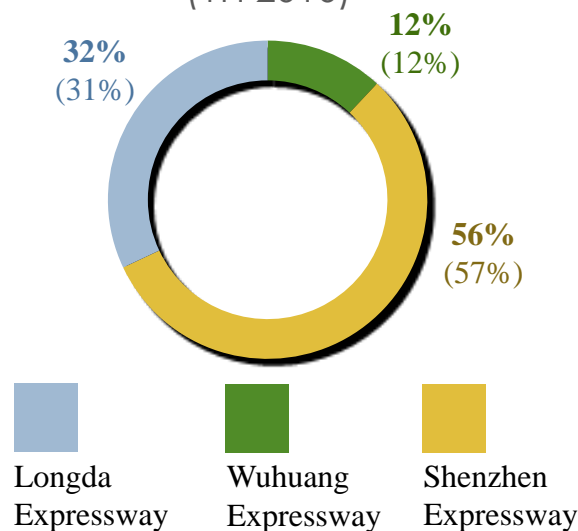
● Shenzhen Expressway:

- ≡ Toll income up 17% to HK\$1,397M
- ≡ Qinglian Expressway – Liannan Section opened for traffic in Jan 2011
- ≡ New toll roads maintained strong income growth
- ≡ EBIT up 5% and Net Profit down 1%
 - upward trend of operating costs
 - Increase in finance cost and income tax rate
- ≡ Qinglian Expressway: Opening of Yilian Expressway by Oct 2011 will connect Qinglian Expressway directly with Jingzhu Expressway (Hunan Section). A significant progress that will substantially increase revenue of Qinglian Expressway.

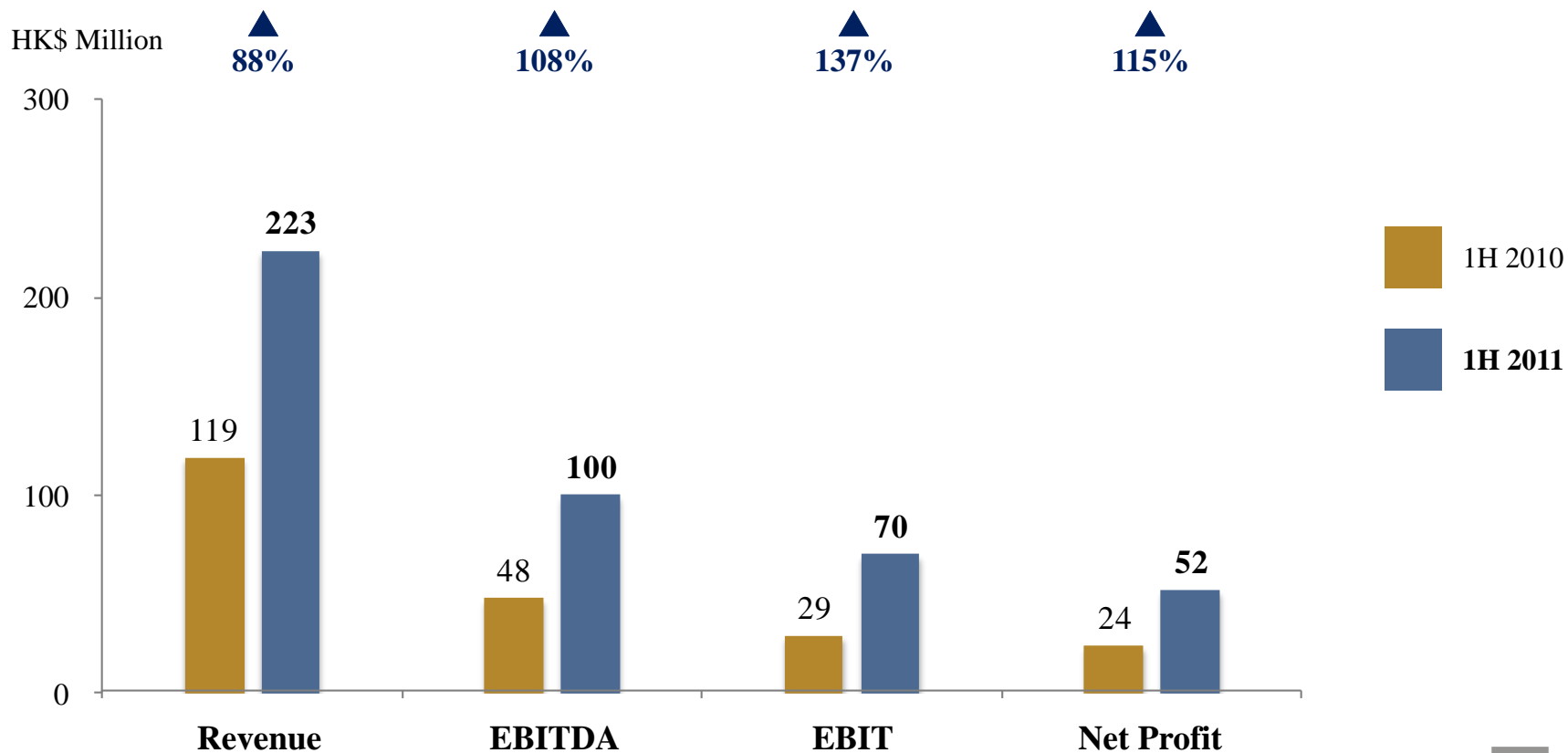
Net Profit
HK\$397M, up 2%



Net Profit Contribution 1H 2011
(1H 2010)



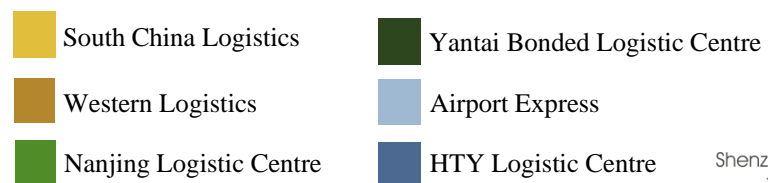
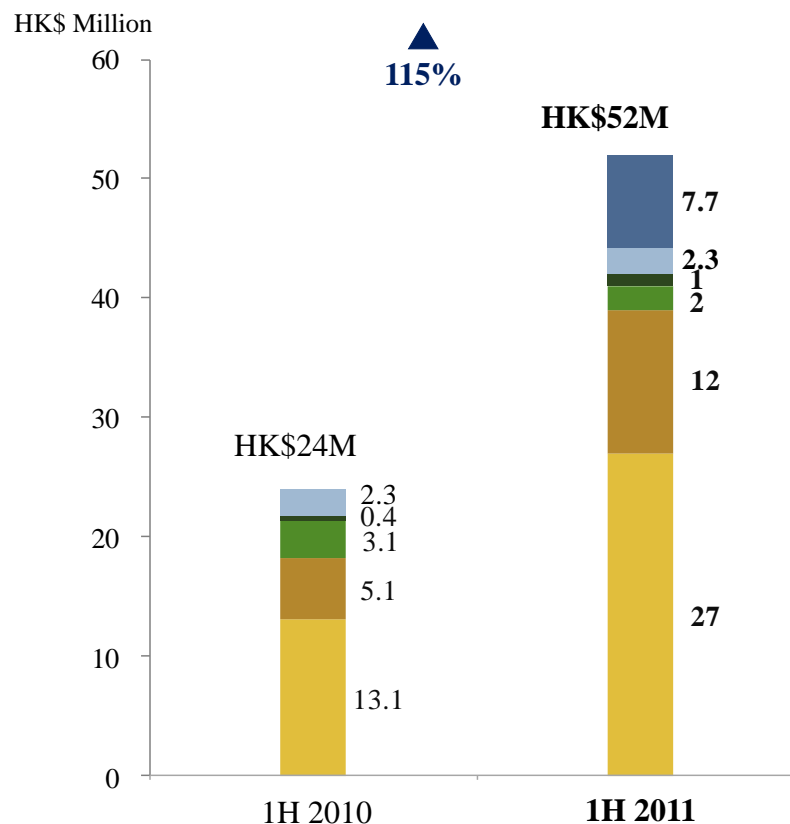
5. Logistic Park



5. Logistic Park

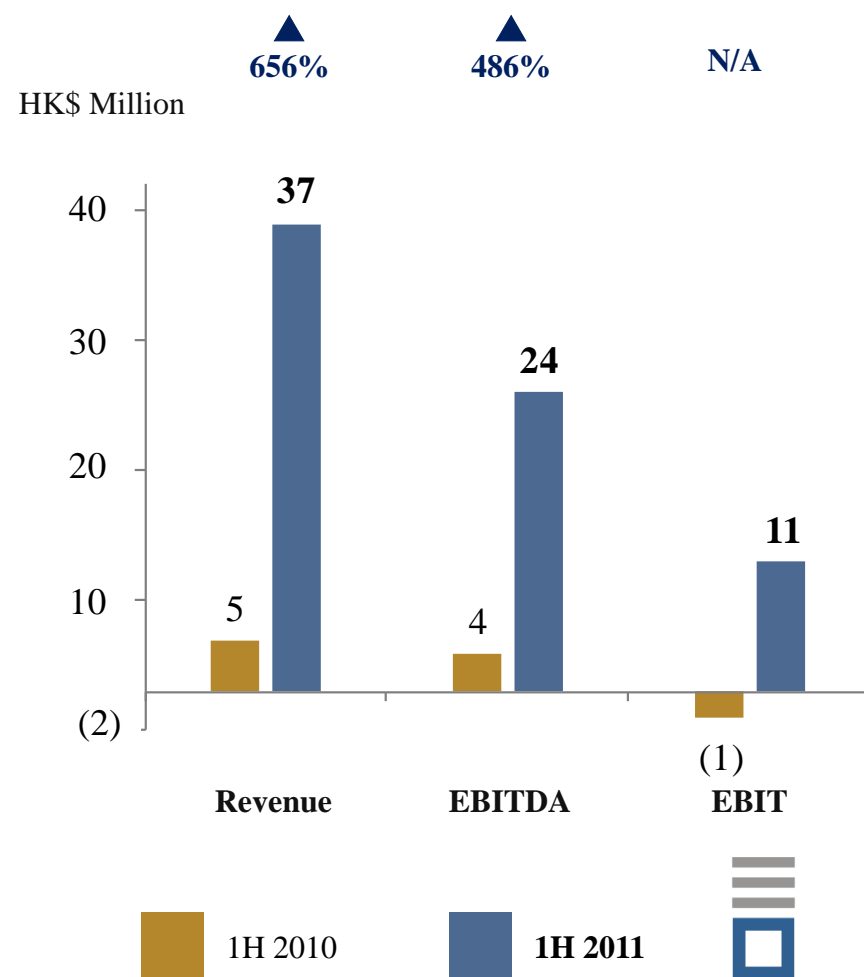
- China's export trade value increased by 24% in 1H 2011
- Group's logistic centre operating area increased by 20% from 450,000m² to 530,000m² yoy
- Revenue surged 88% to HK\$223M; Net profit increased by 115% to HK\$52M
- Demand for logistic facilities remained strong which further improved unit rental and occupancy rates
- Operating margin improved significantly as a result of enhanced operating scale

Net Profit Contribution



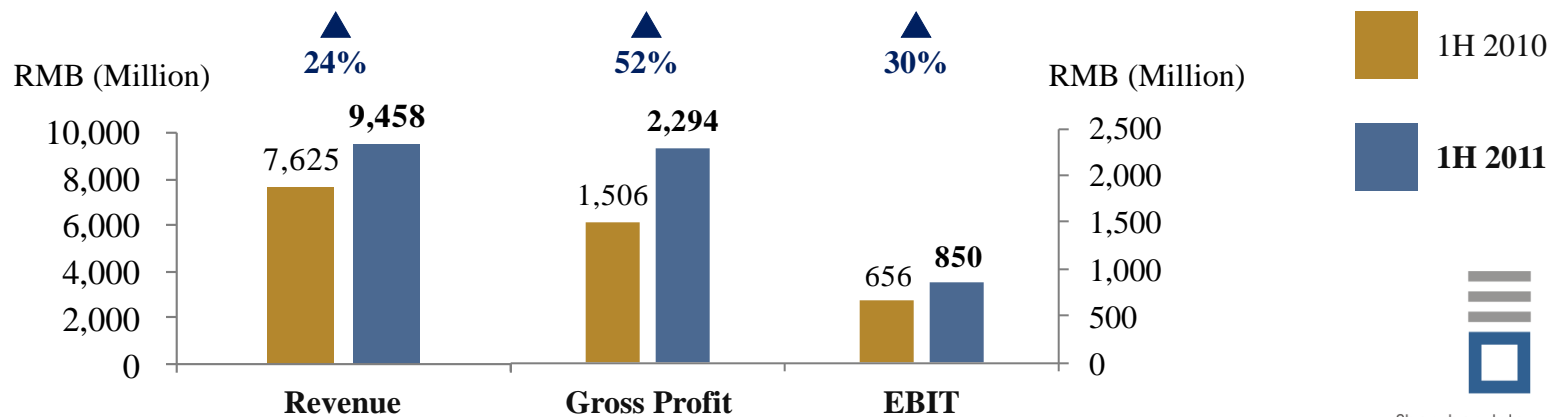
6. Port – Nanjing Xiba Port

- 2011 is first full year of operation since commencement in April 2010
- The two bulk and general terminals mainly provide services for:
 - ≡ Transhipment of coal, iron ores and sand
 - ≡ Dry bulk cargo within Nanjing Chemical Industrial Park
- 1H throughput was 3.92M tons
- Net profit was HK\$3.7M (2010: Loss HK\$1.25M)



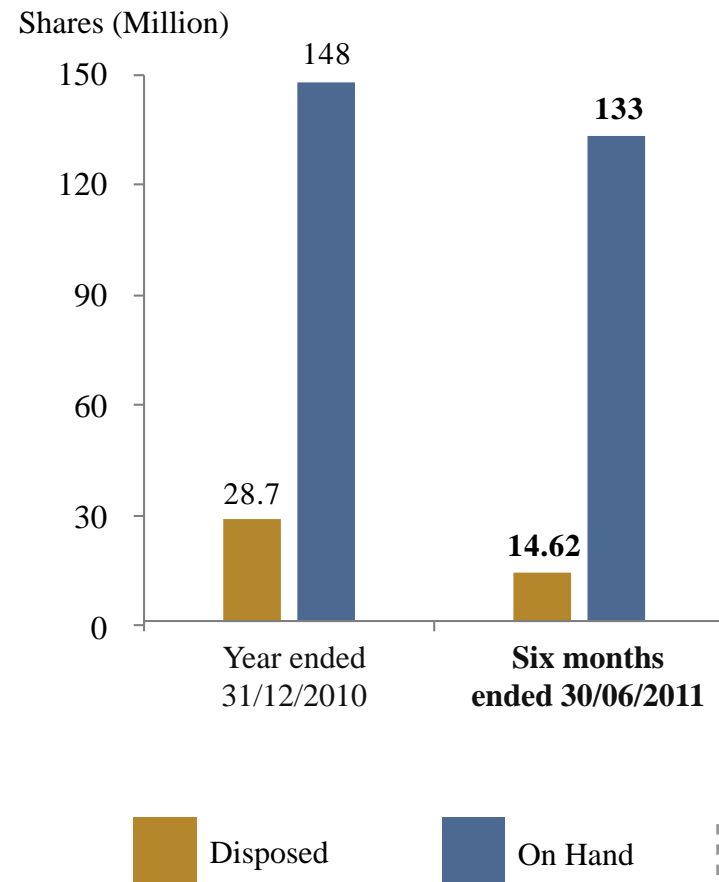
7.1 Other Business – Shenzhen Airlines

- Shenzhen Airlines continued to record solid results in 1H 2011
- Growth of domestic economy drives a sustainable demand in airline market, leading to steady growth in passenger and cargo revenue
- Net profit amount to RMB625M (2010: RMB364M), up 72%
- Our 25% profit share was HK\$187M (April to June 2010: HK\$42M), up 3.5 times
- On 7 May 2011, the Group acquired further 24% equity interest in Shenzhen Airlines at consideration of RMB789M
- Completion of acquisition expected by Oct; shareholding will increase from 25% to 49%



7.2 Other Business – CSG A Shares

- Divestment of CSG A shares continue
- Disposed 14.62M shares in 1H 2011 at average price of HK\$24.88 (RMB20.85) per share, realised cash RMB305M; Net Profit HK\$256M (2010: HK\$257M)
- At 30 June 2011, we have 133M or 6.41% CSG A shares valued at market price of HK\$19.9 (RMB16.5) per share
- Fair value gain vs cost of HK\$1.30 per share credit to shareholders' equity totalled HK\$1,832M



8. Financial Position

	Group			Excl. Shenzhen Expressway #		
	30 June 2011 HK\$ million	31 Dec 2010 HK\$ million	Increase / (Decrease)	30 June 2011 HK\$ million	31 Dec 2010 HK\$ million	Increase
Total Assets	38,292	36,796	4%	15,948	15,199	5%
Total Equity	17,462	17,023	3%	11,010	10,661	3%
NAV attributable to shareholders	11,084	10,844	2%	11,161	10,815	3%
Shareholders' NAV Per Share (HK\$)	0.68	0.66	3%	0.68	0.66	3%
Cash and Cash Equivalents	2,046	2,079	(2%)	1,158	1,072	8%
Bank Borrowings	11,456	10,602	8%	3,344	2,757	21%
Debt Instruments - CB	1,623	1,549	5%	-	-	-
- Note & bond	1,795	1,756	2%	-	-	-
- Others	45	42	7%	45	42	7%
Total Borrowings	14,919	13,949	7%	3,389	2,799	21%
Net Borrowings	12,873	11,870	8%	2,231	1,727	29%
Debt Asset Ratio (Total Liabilities / Total Assets)	54%	54%	-	31%	30%	1%*
Total Borrowings / Total Assets	39%	38%	1%*	21%	18%	3%*
Ratio of Net Borrowings to Total Equity	74%	70%	4%*	20%	16%	4%*
Ratio of Total Borrowings to Total Equity	85%	82%	3%*	31%	26%	5%*

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

* Change in percentage point

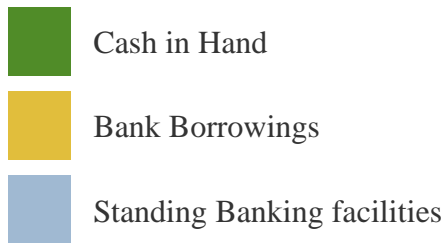
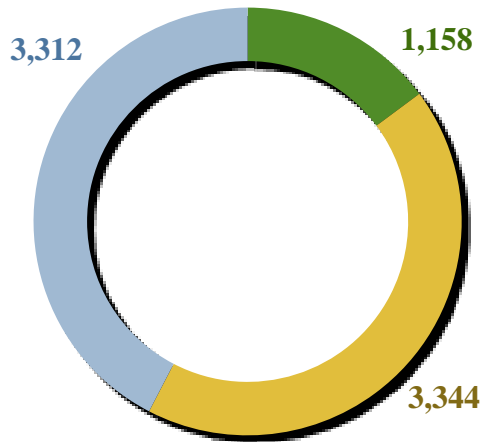


Shenzhen International
深國際

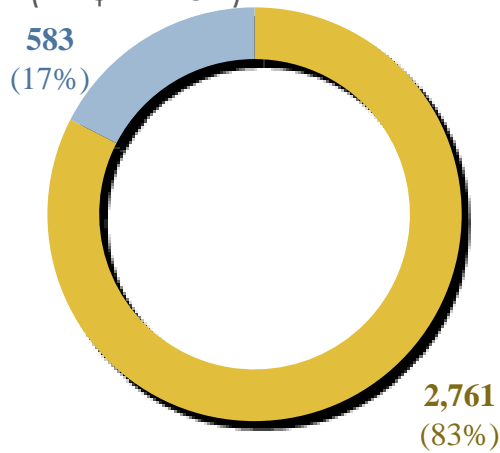
8. Financial Position

As at 30 June 2011

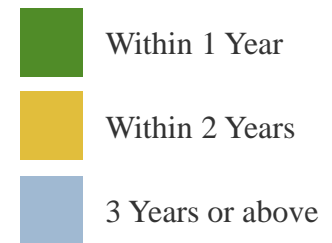
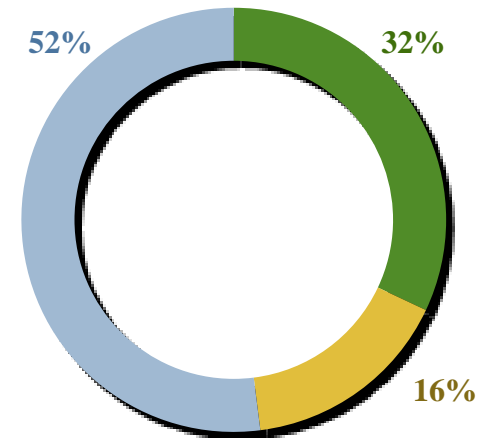
Cash & Banking Facilities
(HK\$ Million)



Bank Borrowings
in currency
(HK\$ Million)



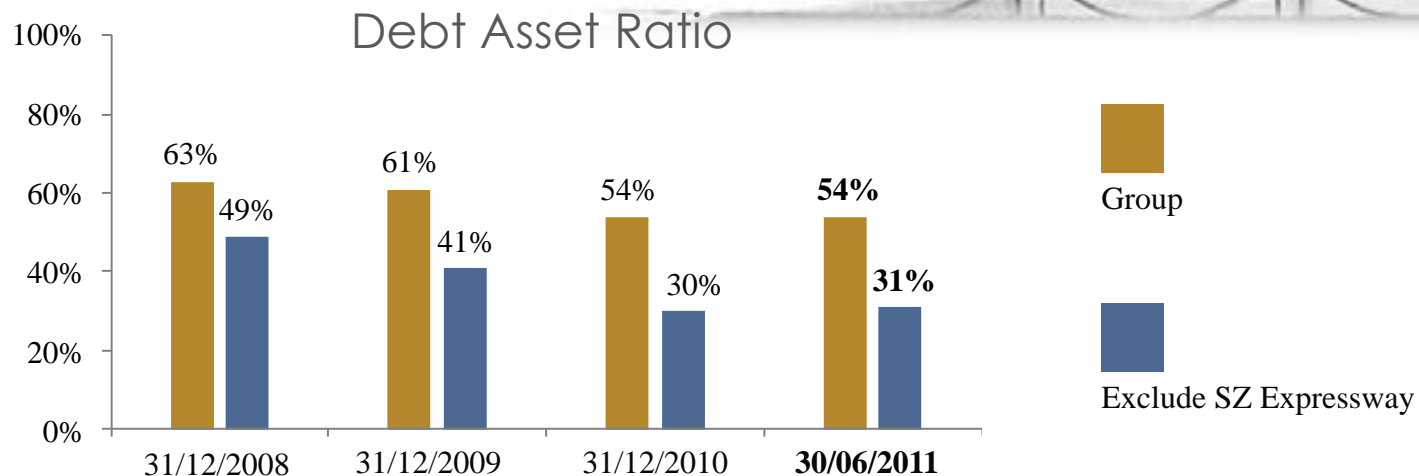
Bank Borrowings
Repayment Period



* All figures above exclude Shenzhen Expressway



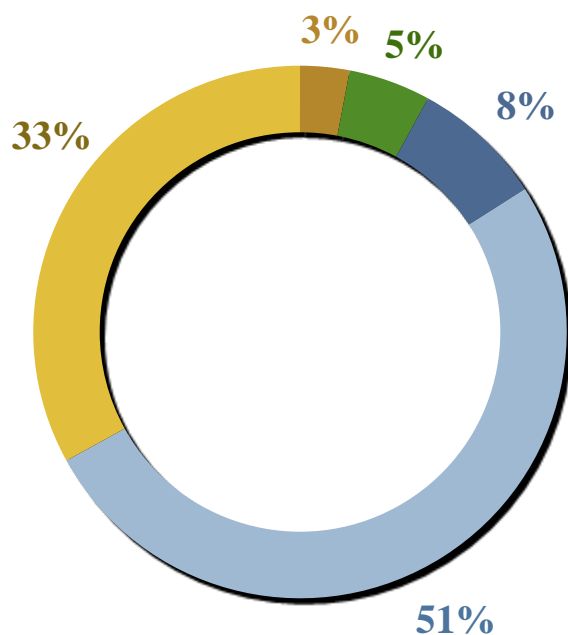
8. Financial Position



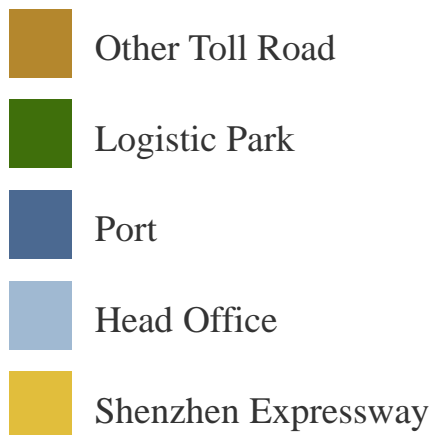
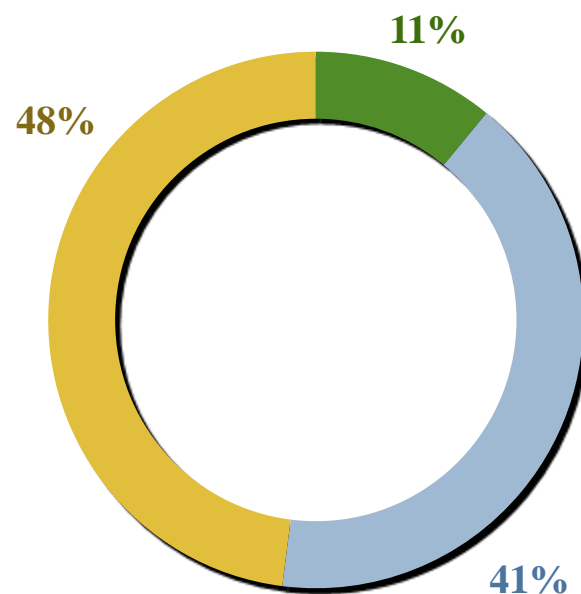
- Group Debt Asset Ratio maintained at 54% (Excl. Shenzhen Expressway: 31%)
- Toll road business investment period has passed its peak in 2010
- Conversion of HK\$1.7B CB by parent company in 2010 further strengthen our capital base
- Expect our gearing level to maintain stable
- RMB appreciated by 2.2% in 1H and contributes HK\$77M exchange gain to our HK Dollar loans and significantly lowered our finance costs

9. 2011 1H Capex – HK\$1,686M (RMB1,401M)

2011 1H Actual
HK\$1,686M (RMB1,401M)



2011 2H Estimate
HK\$3,116M (RMB2,588M)



10. 2011 2H Outlook

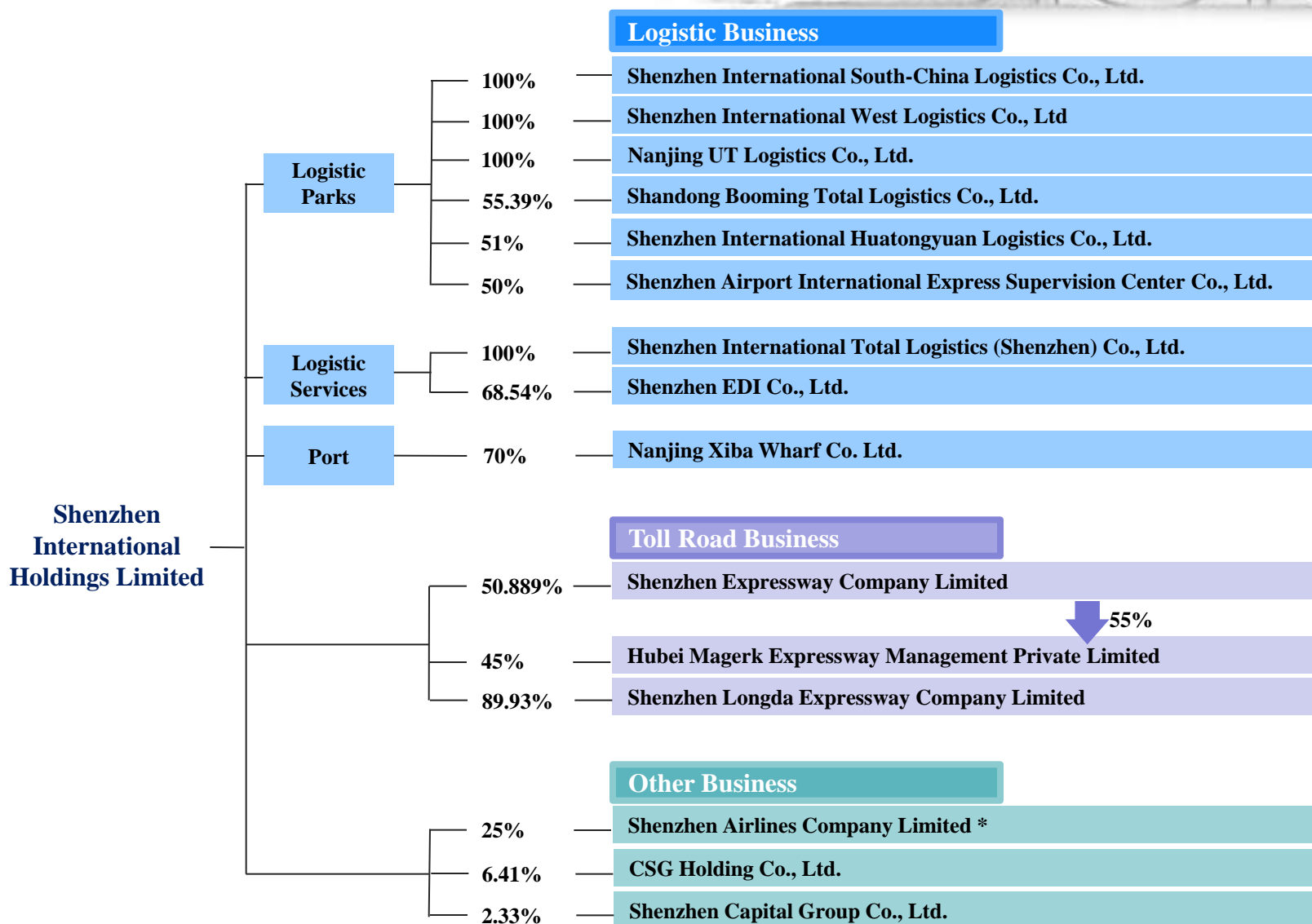
- **China economic development faced with complex environments with many uncertainties**
- **Government continue to stabilize general price level and moderate pace of economic growth**
- **Logistic business have broad development prospects as a result of enhanced policy support by government**
- **Group will promote enhancement and innovation of its business model in a proactive manner, and continue to step up investment and development of the logistic business**
- **Toll road business possesses stable income and cashflows. As new projects gradually mature in recent years, a steady growth is expected in coming years**





Appendix

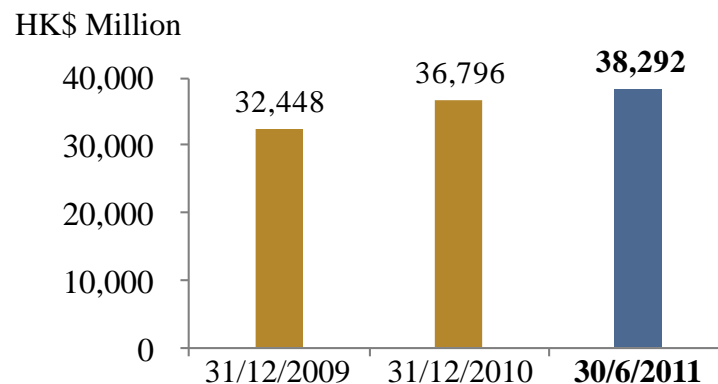
Appendix I – Corporate Chart



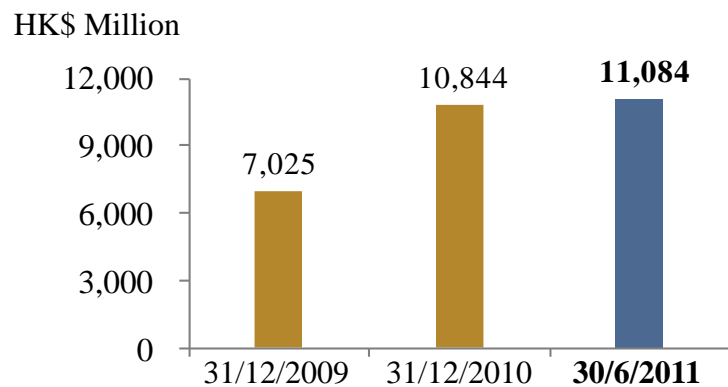
* The Group acquired a further 24% interest in May 2011, subject to completion.

Appendix II – Financial Positions

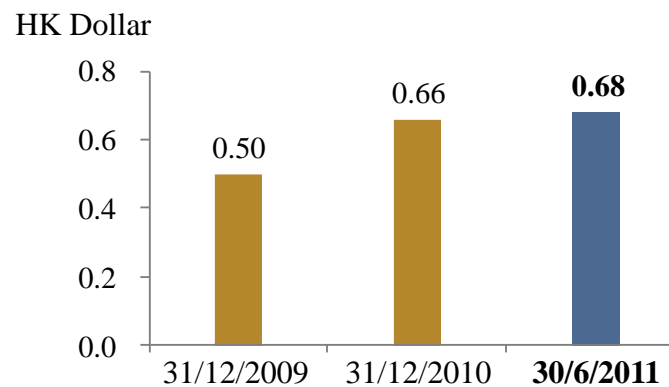
Total Asset



Shareholders' Value



Shareholders' Value Per Share



Appendix III – Income Statement

HK\$ Million Six months ended 30 June	2011	2010	% Change
Revenue	2,742	2,266	21%
Cost of sales	(1,610)	(1,256)	28%
Gross profit	1,132	1,010	12%
Other gains – net	368	380	(3%)
Other income	81	50	60%
Distribution costs	(15)	(12)	25%
Administrative expenses	(125)	(86)	46%
Operating profit	1,441	1,342	7%
Share of profit of jointly controlled entities	2	4	(61%)
Share of profit of associates	287	139	106%
Profit before finance costs and tax	1,730	1,485	16%
Finance costs – net	(286)	(323)	(12%)
Profit before income tax	1,444	1,162	24%
Income tax expense	(287)	(248)	15%
Profit for the Period	1,157	914	27%
Non-controlling interests	(203)	(202)	1%
Net profit attributable to Shareholder	954	712	34%
Diluted EPS (HK cents per share)	5.81	4.79	21%



Appendix IV – Segment Results

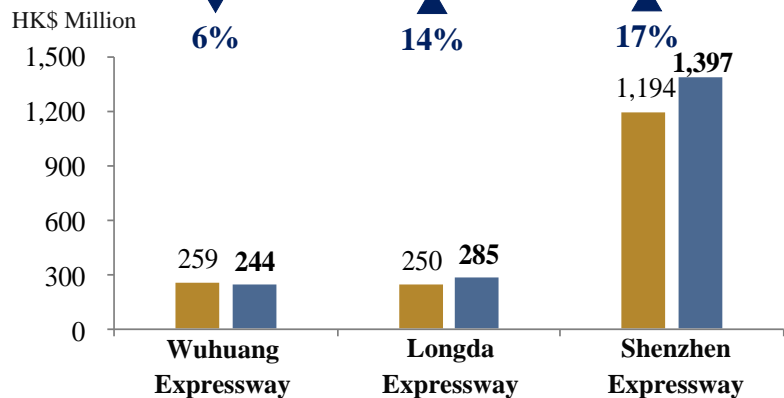
HK\$ Million Six months ended 30 June	Revenue		Operating profit/(loss)		Share of results of associates & JVs		EBIT	
	2011	2010	2011	2010	2011	2010	2011	2010
Toll Road								
Toll income	1,926	1,703	976	927	98	99	1,074	1,026
Construction service income	442	366	-	-	-	-	-	-
	2,368	2,069	976	927	98	99	1,074	1,026
Logistic Business								
Logistic Park	223	119	66	27	4	2	70	29
Logistic Service	114	73	8	4	-	-	8	4
Port	37	5	11	(1)	-	-	11	(1)
	2,742	2,266	1,061	957	102	101	1,163	1,058
Head office	-	-	380	385	187	42	567	427
	2,742	2,266	1,441	1,342	289	143	1,730	1,485
Finance income							14	11
Finance costs							(300)	(334)
Finance costs – net							(286)	(323)
Profit before income tax & NCI							1,444	1,162



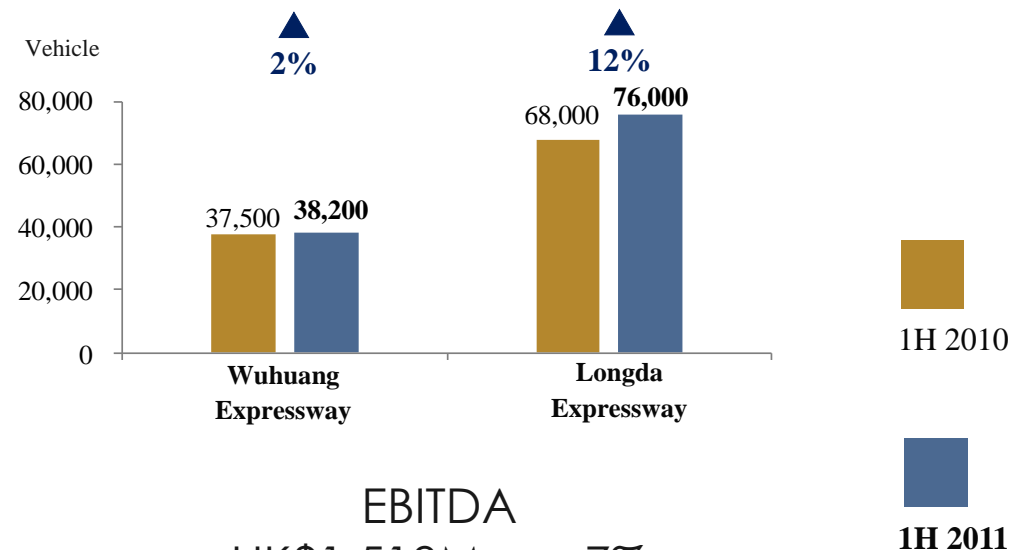
Appendix V – Toll Road

Toll Income

HK\$1,926M, up 13%

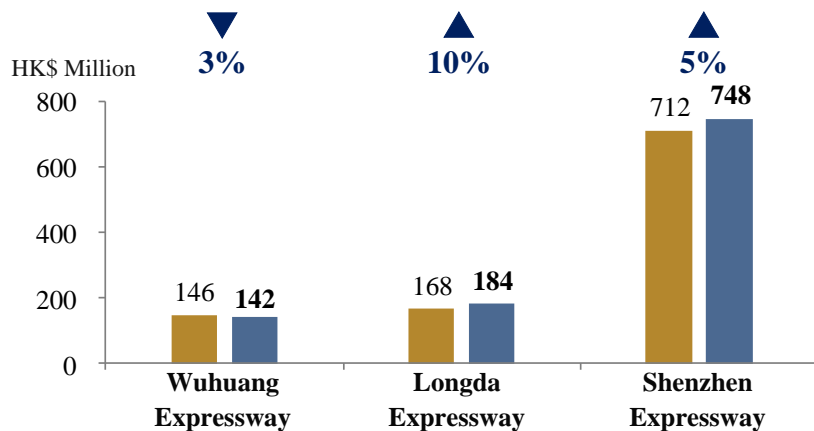


Daily Mixed Traffic Volume



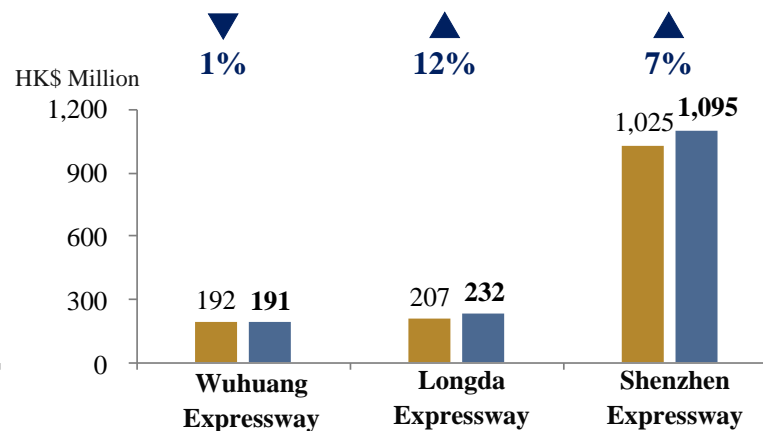
EBIT

HK\$1,074M, up 5%



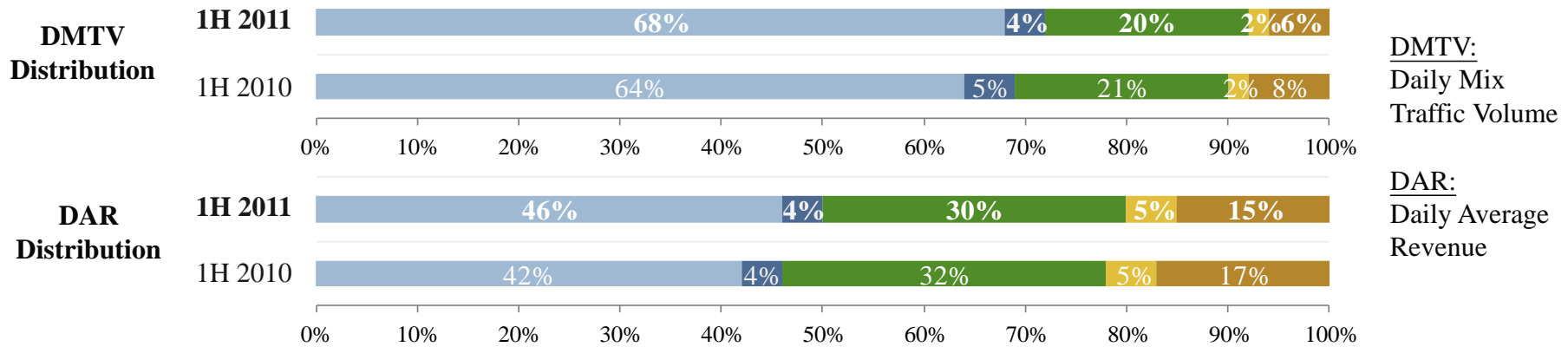
EBITDA

HK\$1,518M, up 7%

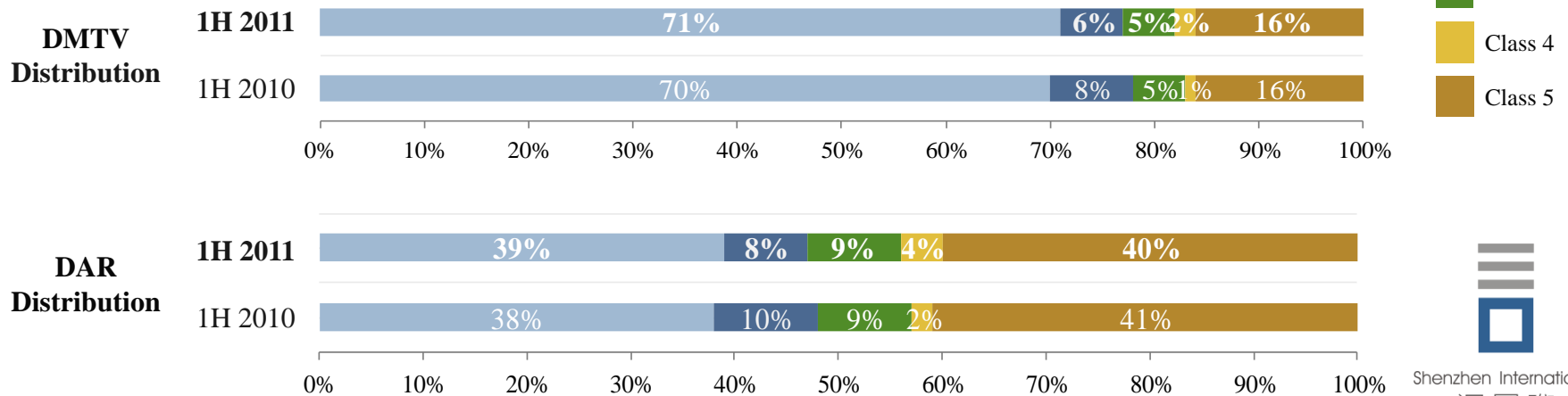


Appendix VI – Toll Road

Longda Expressway

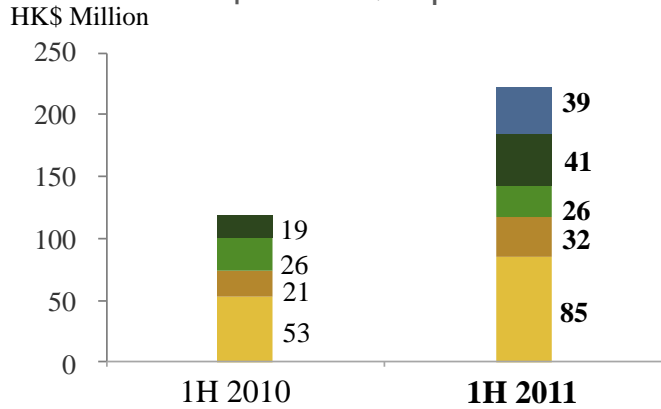


Wuhuang Expressway

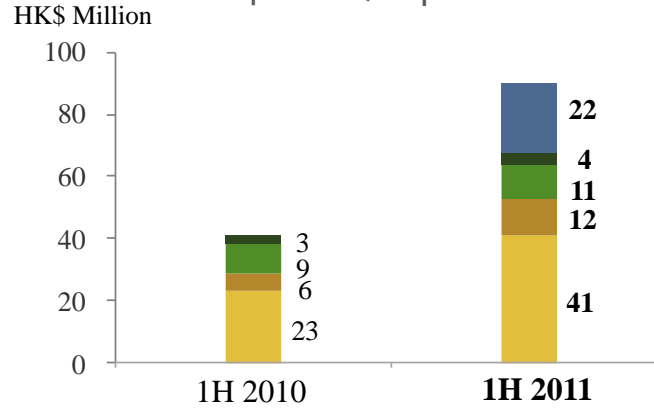


Appendix VII – Logistic Park

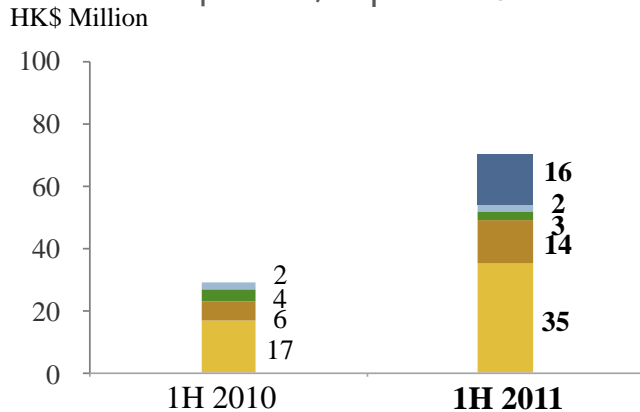
Revenue HK\$223M, up 88%



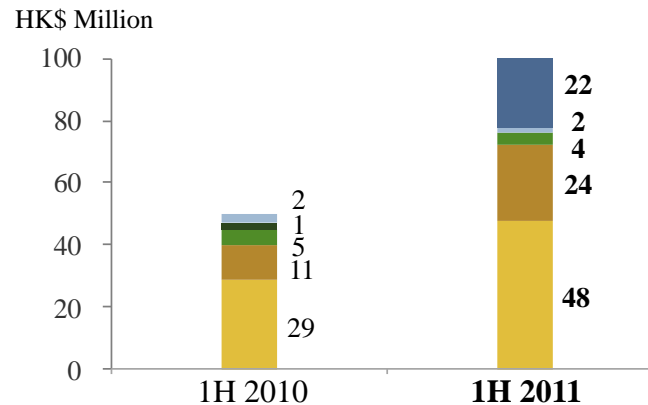
Gross Profit HK\$90M, up 122%



EBIT HK\$70M, up 137%

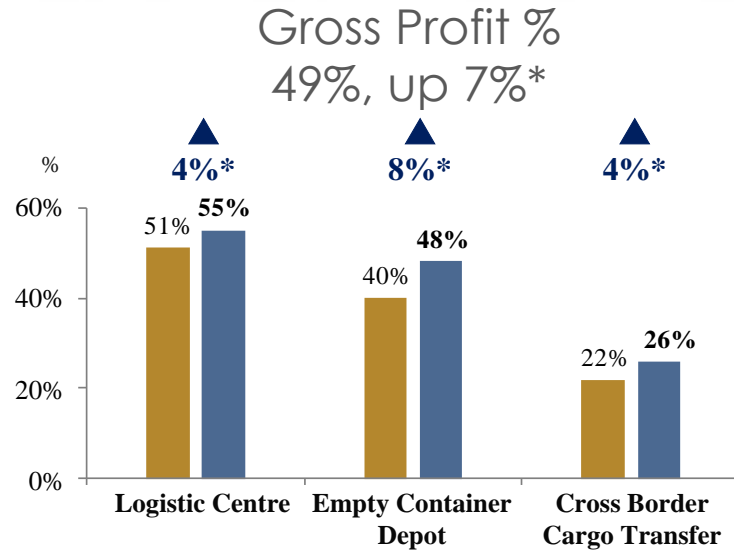
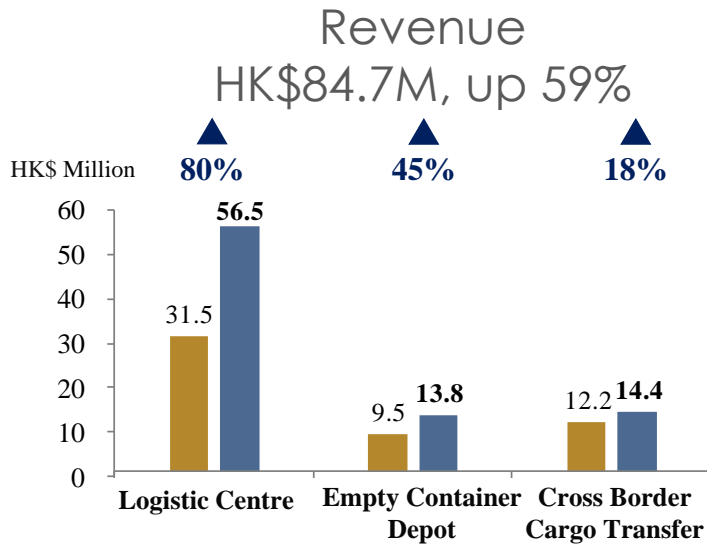


EBITDA HK\$100M, up 108%

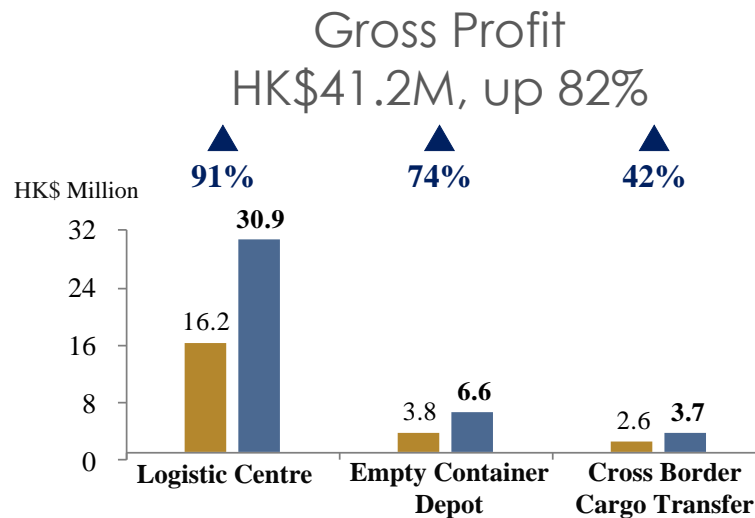


- South China Logistics
- Western Logistics
- Nanjing Logistic Centre
- Yantai Bonded Logistic Centre
- Airport Express
- HTY Logistic Centre

Appendix VIII(a) Logistic Park – South China Logistics



* Change in percentage point

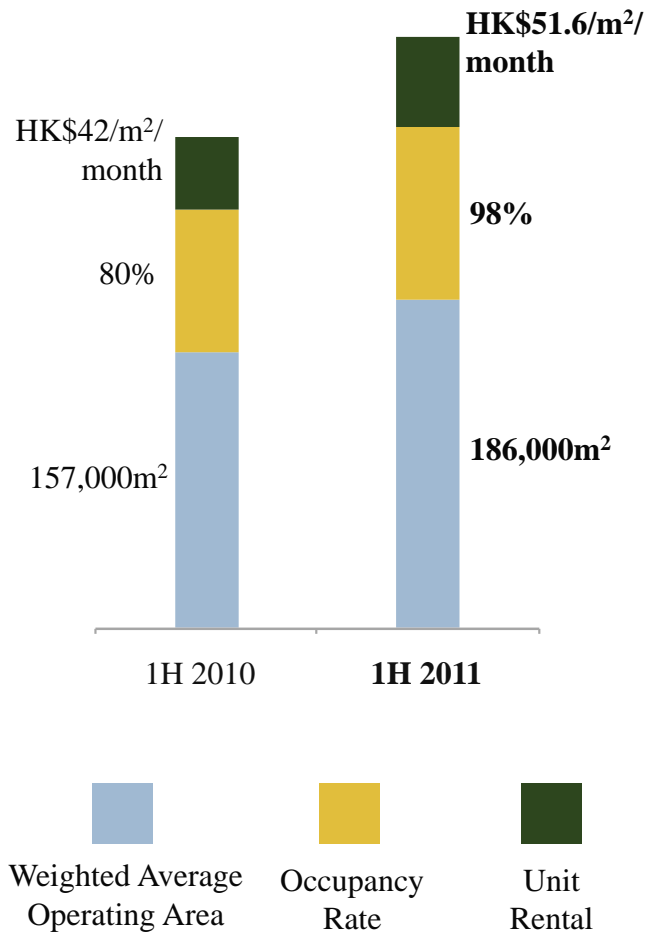


1H 2010

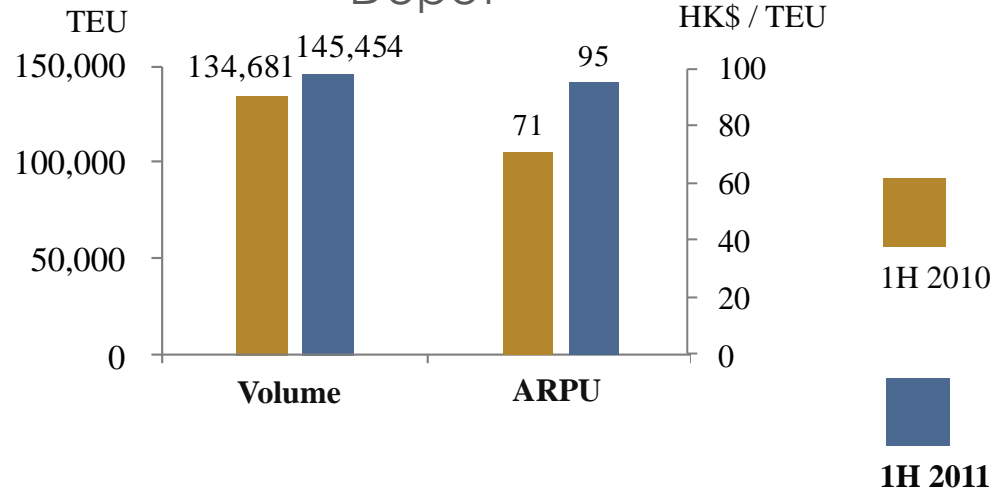
1H 2011

Appendix VIII(b) Logistic Park – South China Logistics

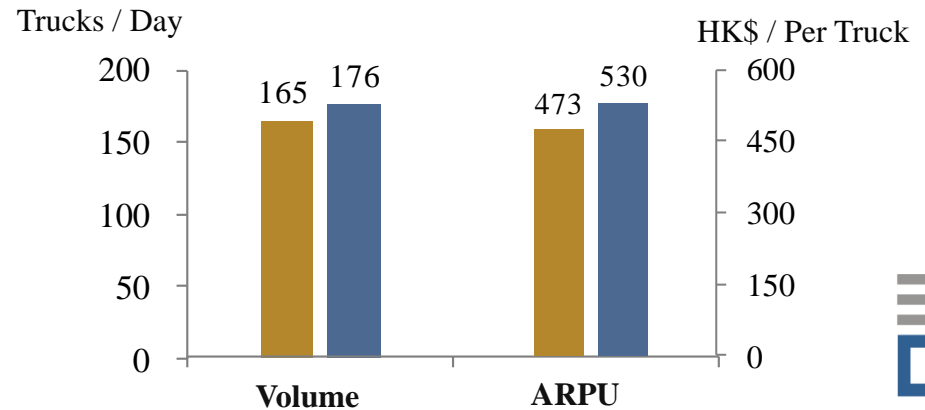
Logistic Centre



Empty Container Depot

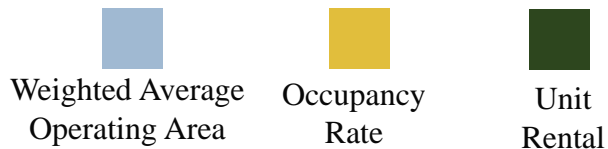
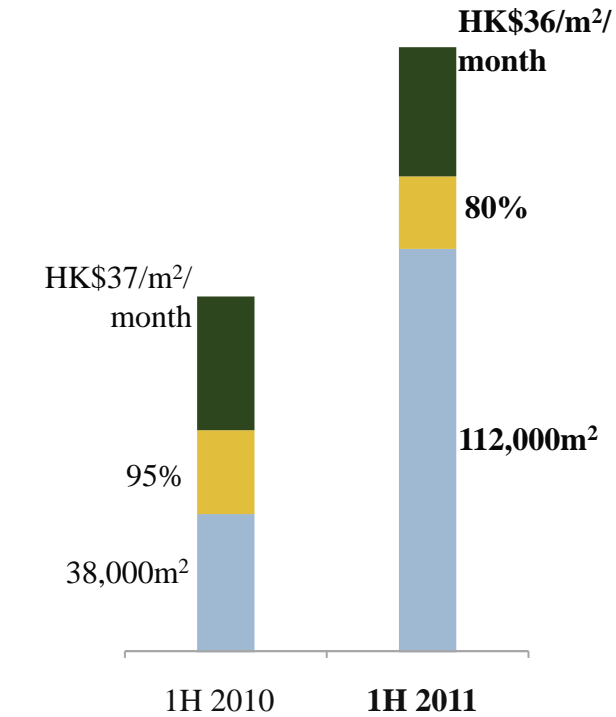


Cross Border Cargo Transfer

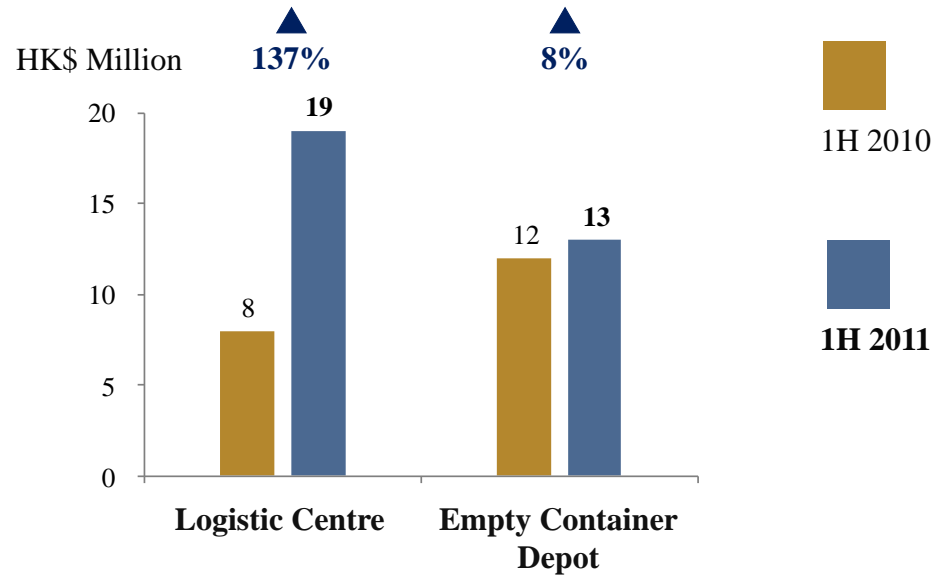


Appendix IX Logistic Park – Western Logistics

Logistic Centre



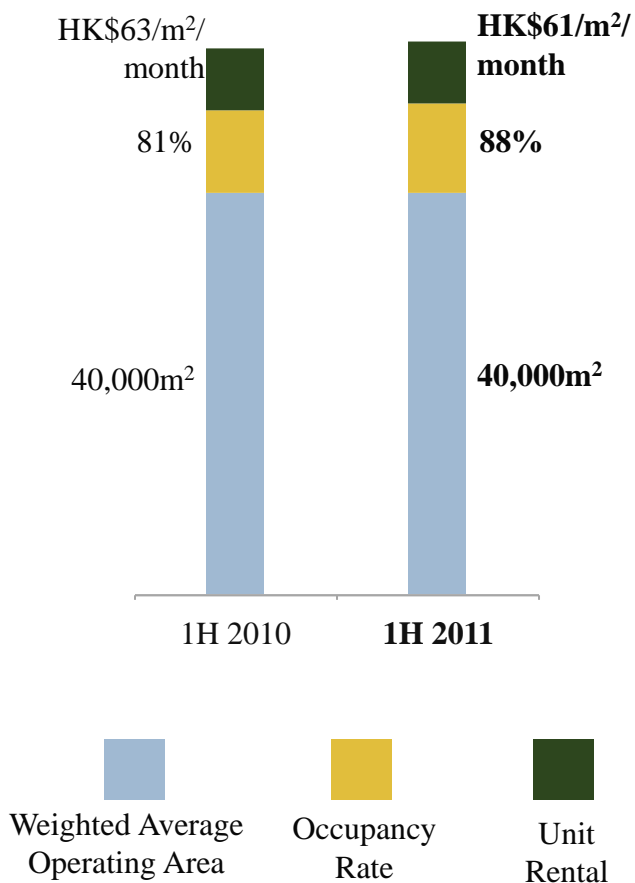
Revenue HK\$32M, up 57%



Appendix X

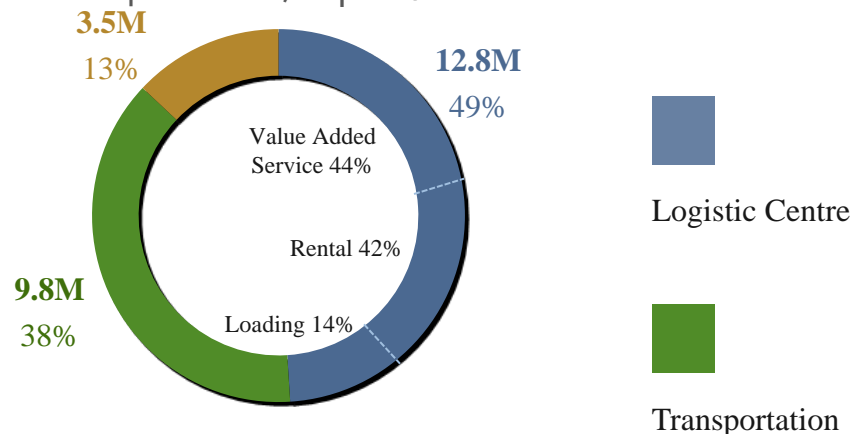
Logistic Park – Nanjing Chemical Industrial Park Logistic Centre

Logistic Centre



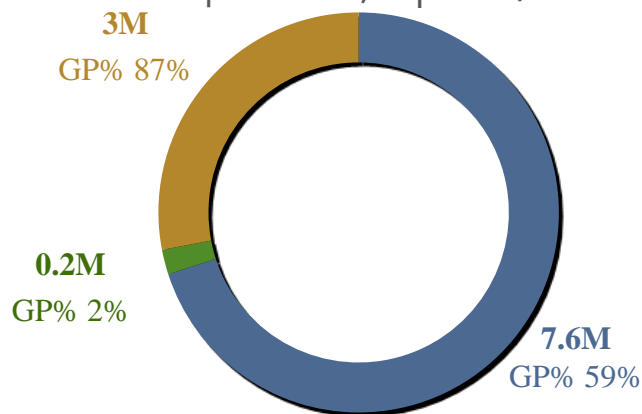
Revenue

HK\$26.1M, up 1%



Gross Profit

HK\$10.8M, up 20%



Disclaimers

- **This presentation is prepared in good faith, based on unaudited financial data, management information, publicly available information, and management's outlook as of 16 August 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
深國際

Tel: (852) 2366 0268 / (86-755) 8307 9999
Fax: (852) 2739 5123 / (86-755) 8307 9988
Email: info@szihl.com
<http://www.szihl.com>

- End -



Stock Code: 0152 (HK)

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