



Shenzhen International
深國際

Stock code 股份代号: 00152.HK

2023 中期业绩

INTERIM RESULTS



- Potential investors and shareholders of the Group (the “Potential Investors and Shareholders”) are reminded that information contained in this Presentation comprises extracts of operational data and financial information of the Group for the half year ended 30 June 2023. The information included is solely for the use in this Presentation and certain information has not been independently verified. No representations or warranties, expressed or implied, are made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions presented or contained in this Presentation. Potential Investors and Shareholders should refer to the 2023 Interim Report for the unaudited results of the Group which are published in accordance with the Listing Rules of the Stock Exchange of Hong Kong Limited.

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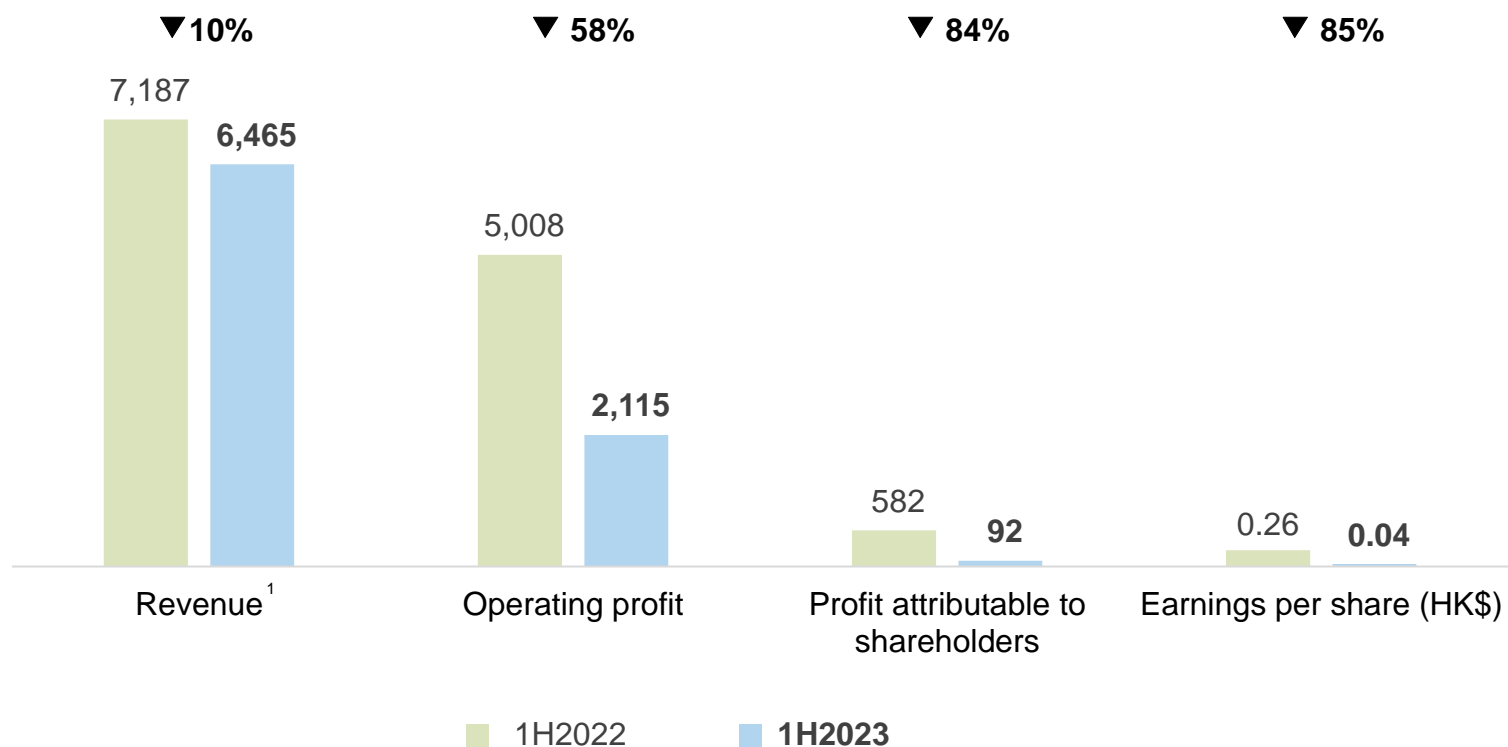
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1. Results Highlights

HK\$ million



¹Excluding construction service income from toll road business

1. Results Highlights

Total assets

HK\$ million

133,495

▼5%

127,148

31/12/2022

30/06/2023

Total equity

HK\$ million

55,199

▼6%

52,010

31/12/2022

30/06/2023

NAV attributable to shareholders

HK\$ million

31,248

▼6%

29,313

31/12/2022

30/06/2023

NAV per Share attributable to shareholders

HK\$

13.1

▼7%

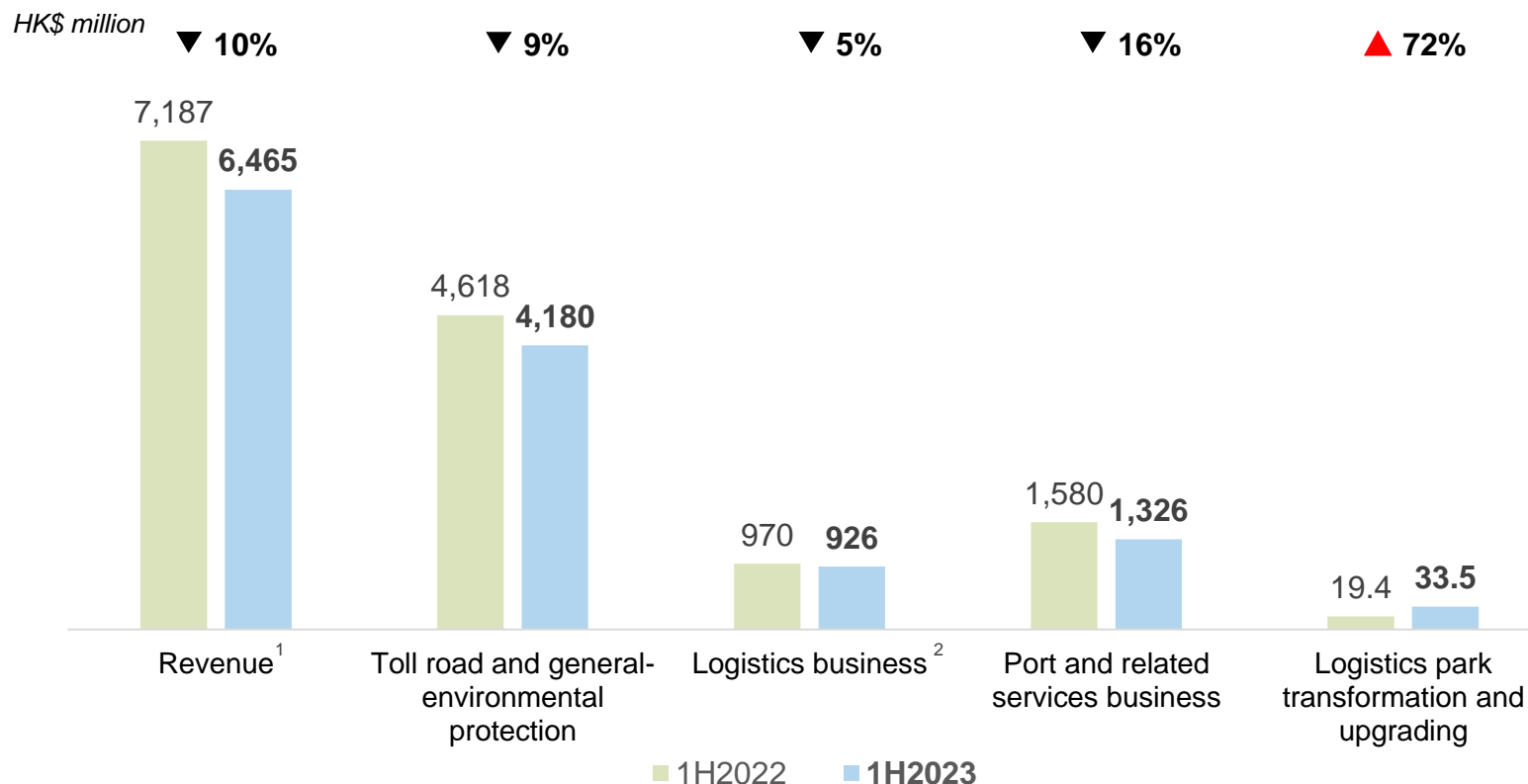
12.2

31/12/2022

30/06/2023

1. Results Highlights – Revenue by Segment

Total Revenue HK\$6,465 million



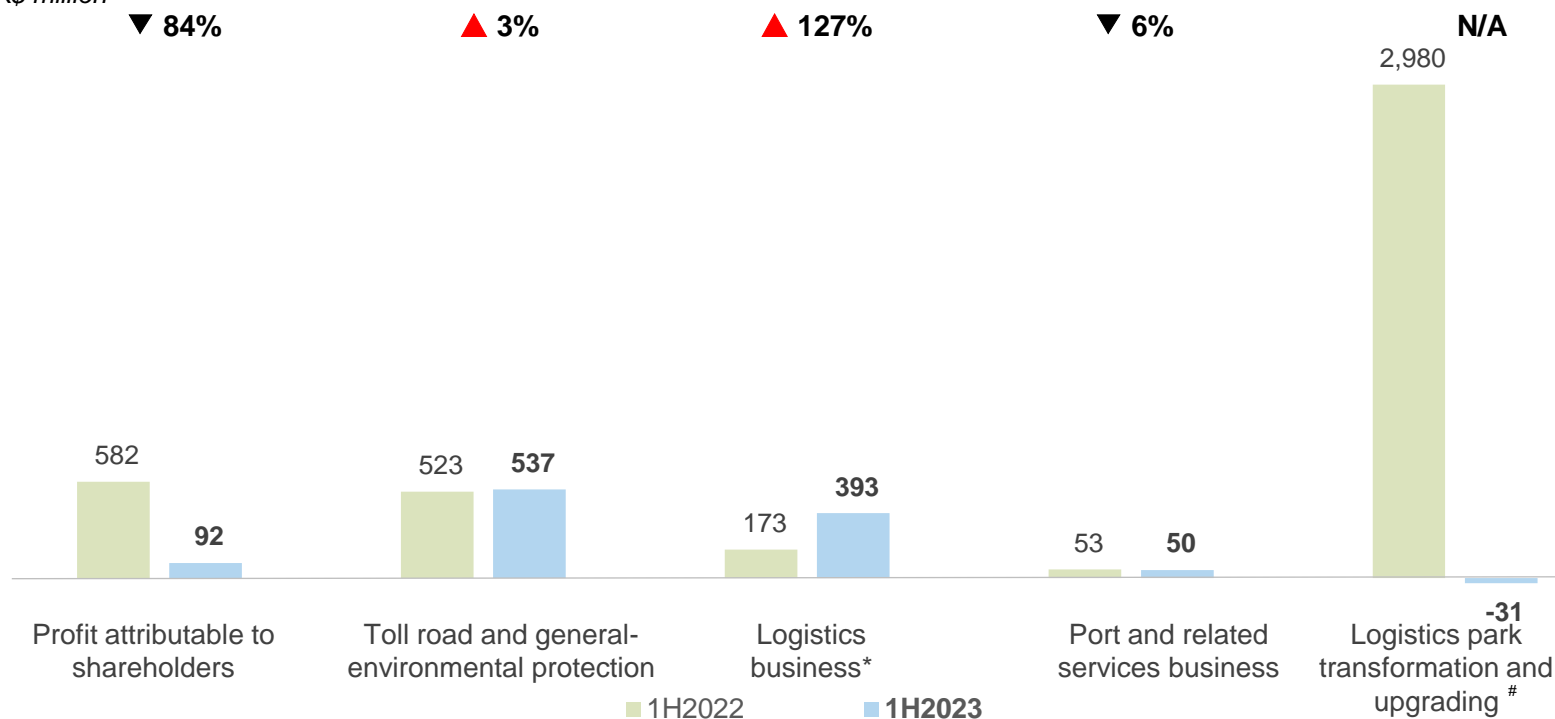
¹Excluding construction service income from toll road business

²Logistics Business = Logistics Parks + Logistics Services

1. Results Highlights – Profit Attributable to Shareholders

Profit Attributable to Shareholders HK\$92.05 million

HK\$ million



* Logistics Business = Logistics Parks + Logistics Services

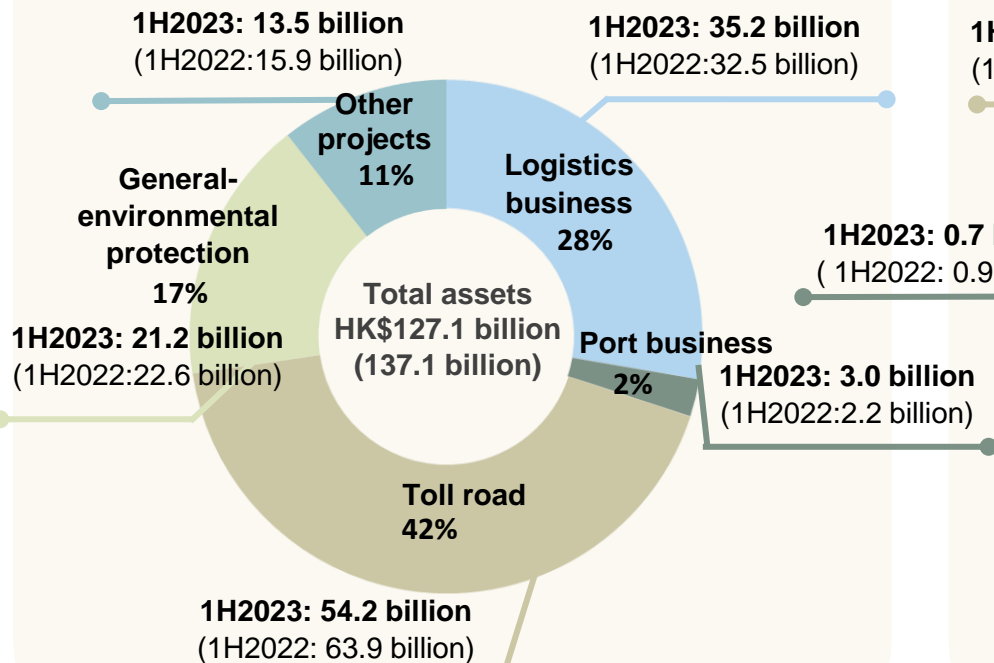
The disposal of South China Logistics Park recorded a property revaluation gain of approximately HK\$94.42 million

A strategic investor was introduced in Qianhai Business Project by ways of capital contribution and capital increase last year, recognizing profit before tax of approximately RMB\$2,490 million

1. Results Highlights – Asset Structure (Total Assets)

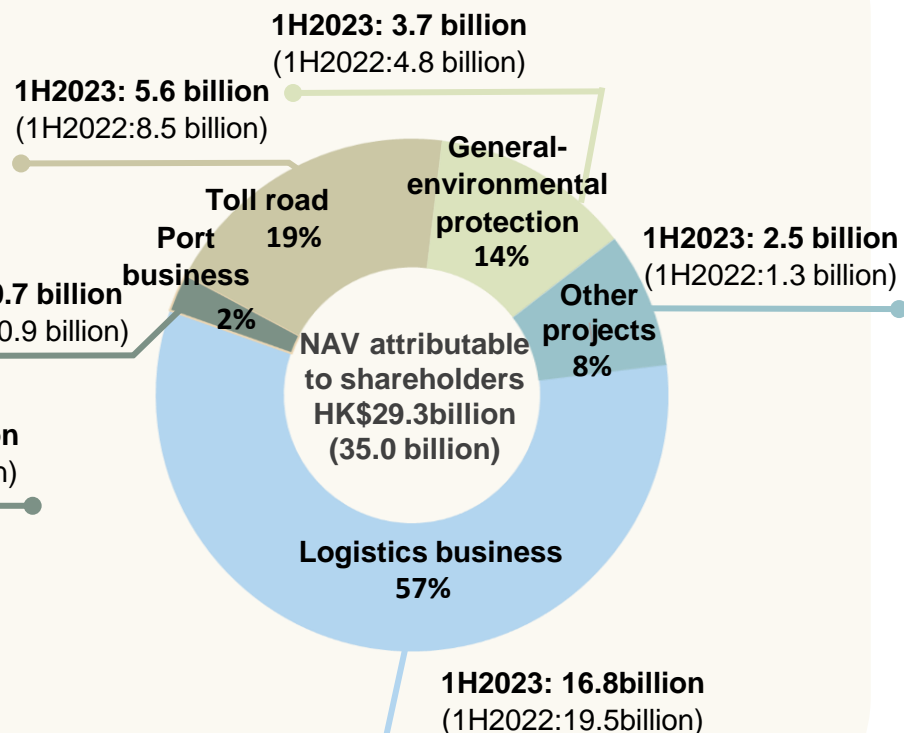
**1H2023(1H2022)
Total Assets Contribution**

HK\$ billion



**1H2023(1H2022)NAV Attributable
to Shareholders Contribution**

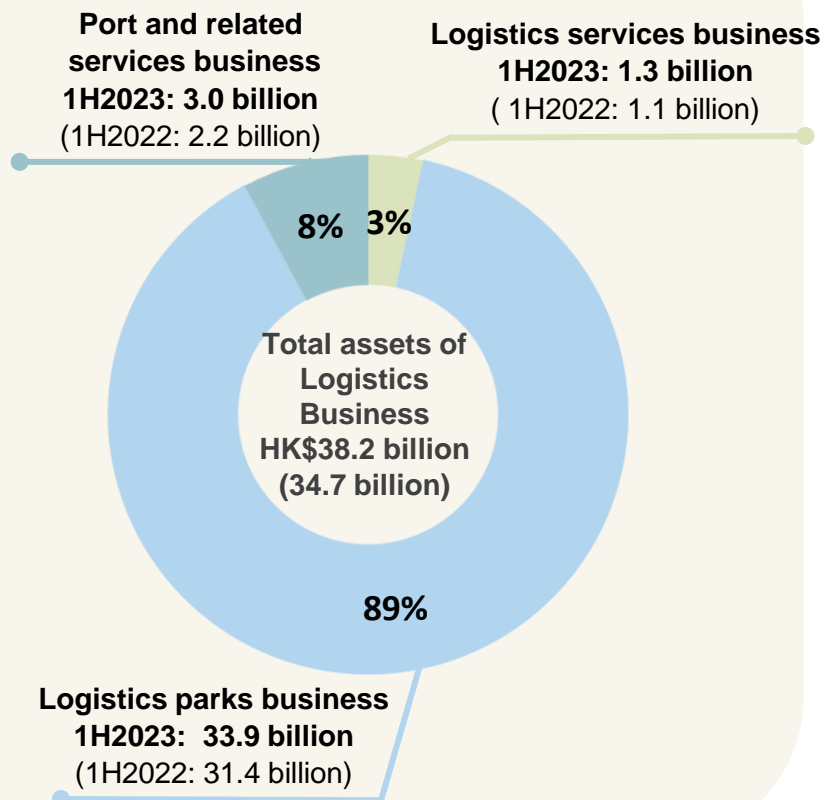
HK\$ billion



1. Results Highlights – Asset Structure (Logistics Business)

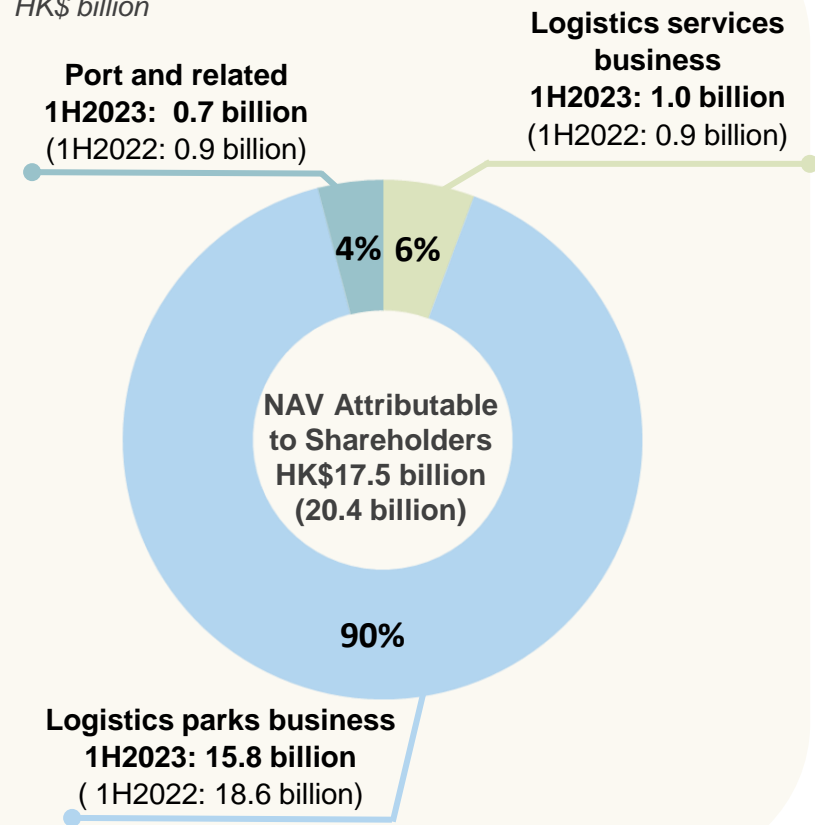
1H2023 (1H2022) Total Assets Contribution of Logistics Business

HK\$ billion



1H2023 (1H2022) NAV Attributable to Shareholders Contribution

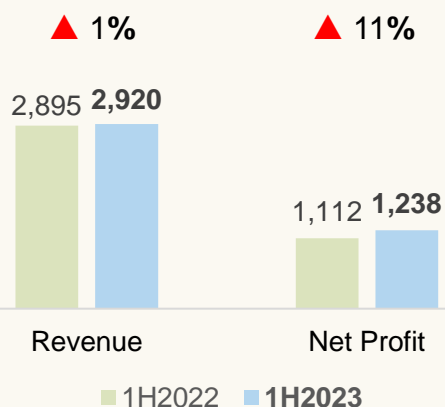
HK\$ billion



2. Business Review – Toll Road Business (Shenzhen Expressway)

Toll Road Business

HK\$ million



Financial Performance

- During the period, as the domestic economy and society fully resumed normal operation, the traffic volume of toll roads returned to growth. However, the expiration of the concession period of Wuhuang Expressway in December 2022 partially offset the growth of toll revenue
- Toll revenue and net profit ▲1% and ▲11% YoY, respectively

16
Expressway Projects
Invested in or
Operated

Spanning **Shenzhen**,
the Guangdong-Hong
Kong-Macao **Greater
Bay Area**, and other
**economically
developed regions**

Key Construction Projects

- An investment of approx. RMB8,447 million was granted for the construction of **Phase III of Shenzhen Outer Ring Project**
- As of the end of June 2023, approx. 85% of the overall construction of **Phase II of Shenzhen Coastal Project** has been completed
- Since the PPP contract of Jihe Expressway R&E Project has been terminated on 31 March 2023, the Group will proceed with the corresponding approval procedures after the finalization of the proposal

Major Toll Road Business

Guangdong province – Shenzhen		Guangdong province – Other regions	
Meiguan Expressway	100%	Qinglian Expressway	76.37%
Jihe East	100%	GS Expressway ⁽³⁾	45%
Jihe West	100%	GZ West Expressway ⁽³⁾	50%
Shenzhen Coastal Project ⁽¹⁾⁽²⁾	100%	Yangmao Expressway	25%
Shenzhen Outer Ring Project	100%	GZ W2 Expressway	25%
Longda Expressway	89.93%	Other provinces in the PRC	
Shuiguan Expressway	50%	Yichang Project	100%
Shuiguan Extension	40%	Changsha Ring Road	51%
		Nanjing Third Bridge	35%

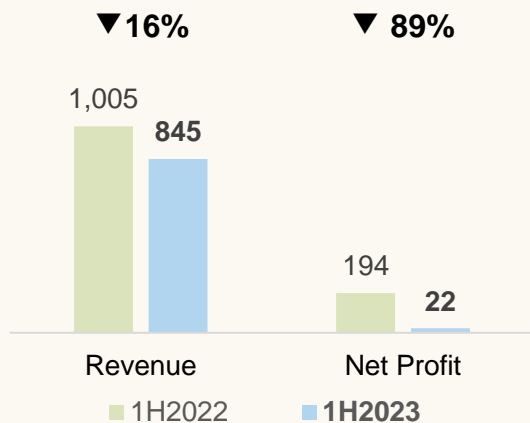
Note:

- Shenzhen Coastal Project refers to the Shenzhen section of Guangshen Coastal Expressway (Guangzhou to Shenzhen) and comprises Shenzhen Coastal Phase I and Shenzhen Coastal Phase II. Shenzhen Coastal Phase I, which was completed and commenced operations at the end of 2013, includes the main line of Shenzhen Coastal Project and related facilities. Shenzhen Coastal Phase II, the construction of which commenced in December 2015, includes the Shenzhen World Exhibition & Convention Center interchange and the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge. The Shenzhen World Exhibition & Convention Center interchange was completed and open to traffic in 2019
- Shenzhen Coastal Project refers to the Shenzhen section of Guangshen Coastal Expressway (Guangzhou to Shenzhen) and comprises Shenzhen Coastal Phase I and Shenzhen Coastal Phase II. Shenzhen Coastal Phase I, which was completed and commenced operations at the end of 2013, includes the main line of Shenzhen Coastal Project and related facilities. Shenzhen Coastal Phase II, the construction of which commenced in December 2015, includes the Shenzhen World Exhibition & Convention Center interchange and the connecting line on the Shenzhen side of the Shenzhen-Zhongshan Bridge. The Shenzhen World Exhibition & Convention Center interchange was completed and open to traffic in 2019
- On 11 January 2022, Shenzhen Expressway completed its acquisition of 100% equity interest in Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. ("Shenzhen Investment Infrastructure"), thereby indirectly holding approximately 71.83% of the shares of Shenzhen Investment Holdings Bay Area Development Company Limited ("Bay Area Development"), which is in turn indirectly entitled to the right to share 50% of the profits of GZ West Expressway and 45% of the profits of Guangshen Expressway, respectively.

2. Business Review – General-Environmental Protection Business (Shenzhen Expressway)

General-Environmental Protection Business

HK\$ million



Financial Performance

- During the Period, revenue from the general- environmental protection business ▼16% and net profit ▼89% YoY, respectively, mainly due to:
 - The decrease in the sales of wind turbines and kitchen equipment
 - The decrease in revenue generated by wind power generation due to reduced wind resources during the Period
 - The decrease in share of profits of associates & impairment of assets

Note:

- Environmental Company, which holds equity interest directly or indirectly in certain major general-environmental protection projects, is principally engaged in environmental protection businesses such as solid waste treatment.
- New Energy Company, which holds equity interest directly or indirectly in certain major general-environmental protection projects, is principally engaged in new energy businesses such as wind power generation.

Key Business Update

- Clean Energy:**
 - As at the end of June 2023, wind power projects invested in and operated by the Group had an accumulated installed capacity of 648 MW and were all completed and grid-connected wind farms located in areas with relatively abundant wind resources and stable electricity demands
- Solid waste treatment**
 - During the Period, the construction of main structure and pre-processing equipment debugging work of Guangming Environmental Park Project was basically completed, and the Group has been actively expediting the procurement and installation of major equipment, as well as preparation work prior to commencement of production and operation. The project is expected to be completed within 2023
 - The Shaoyang Project obtained the franchise rights of kitchen waste collection and treatment in Shaoyang City, Hunan Province. The Shaoyang Project, which commenced trial operation in February 2023 with a concession period of 30 years

Company	Interests Held
Shenzhen Expressway Environmental Company Limited ("Environmental Company") ¹	100%
Shenzhen Expressway New Energy Holdings Co., Ltd ("New Energy Company") ²	100%
Shenzhen Shenzhen Expressway Infrastructure and Environmental Protection Development Co., Ltd ("Infrastructure and Environmental Protection Company") ³	100%
Shenzhen Guangming Environment Technology Company Limited ("Guangming Environment") ⁴	100%
Shenzhen Water Planning & Design Institute Company Limited	11.25%
Wind Power Projects	Interests Held
Baotou Nanfeng Wind Power Project ⁴	100%
Xingjiang Mulei Project ⁵	100%
Yongcheng Zhuneng Project ⁶	100%
Zhongwei Gantang Project ⁷	100%
Huaian Zhongheng Project ⁸	20%

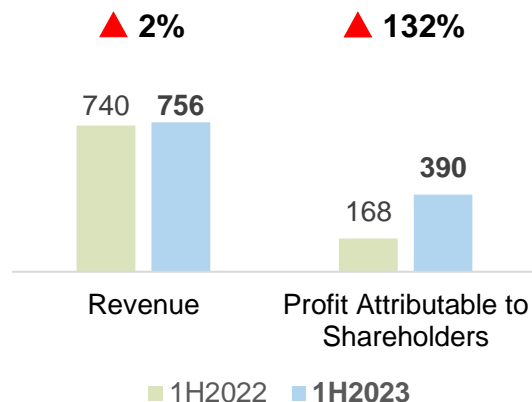
- Infrastructure and Environmental Protection Company, located in Shenzhen-Shanwei Special Cooperation Zone, is principally engaged in the provision of large-scale infrastructure management services as well as investment in environmental protection projects within the cooperation zone. It directly or indirectly holds equity interest in certain major general-environmental protection projects.
- The wind power projects of Baotou Nanfeng Wind Power Technology Co., Ltd

- The wind power projects of Changli Mulei Laojunmiao Wind Farm in Xinjiang Zhundong New Energy Base.
- The 32 MW wind power project in Yongcheng City, Shangqiu City, Henan Province.
- The 49.5 MW wind power project in Gantang Town, Zhongwei City, Ningxia Province
- The 99.4 MW wind power project of Huaian Zhongheng New Energy Co., Ltd

2. Business Review – Logistics Business

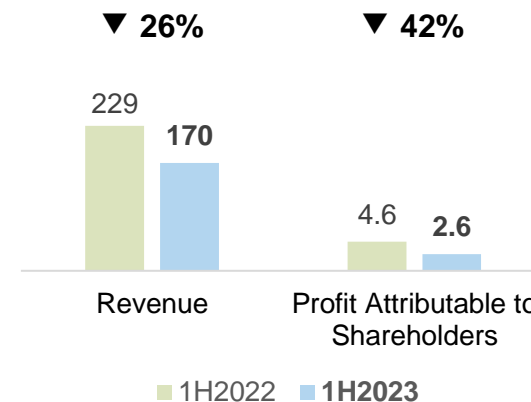
Logistics Parks Business

HK\$ million



Logistics Services Business

HK\$ million



Financial Performance

Logistics Parks

- Revenue from the logistics parks business ▲2% YoY and profit attributable to shareholders ▲132% YoY, mainly due to:
 - Several new logistics parks have been put into operation and the newly acquired logistics park projects have brought new profit contributions, and a property revaluation gain of approximately HKD94.42 million was recorded during the Period

Logistics Services

- Revenue from the logistics services business ▼26% YoY and profit attributable to shareholders ▼42% YoY, mainly due to the continuous adjustment made to the relevant business structure in response to the changes in the economic environment and risk mitigation

2. Business Review – Logistics Business

Shenzhen

- **SZI Intelligent Logistics Hub (SZ Pingshan East)** (site area of approx. 267,000 sqm and GFA of approx. 94,000 sqm) is a quality logistics park project acquired by the Group in July 2023 for a total consideration of approx. RMB749 million
- **SZI Intelligent Logistics Hub (SZ Liguang)** (planned GFA of 265,000 sqm) completed the engineering planning acceptance procedures in May 2023, and will be put into operation in batches in the 2H2023
- **SZI Railway Freight Logistics Hub (SZ Pinghunan)** is constructed in two phases. The area of the railway yard/freight yard in operation in the **first phase** is approx. 170,000 sqm and has been handed over gradually since early 2022. On 25 June 2023, the Group successfully **acquired the land use rights for the construction of the second phase of the warehouse project** through a public bidding process, for the consideration of RMB1,187 million. The Group is currently working on the design and planning of the construction, and is aiming to begin full-scale construction work by the end of 2023 or the beginning of 2024 for completion in 2026
- **SZI Intelligent Logistics Hub (SZ Yantian)** (site area of approx. 32,000 sqm and a planned GFA of approx. 127,000 sqm) completed the topping-out of the main structure in April 2023 and structural acceptance in late June 2023. The project is expected to be completed and put into operation by the end of 2023

Other Regions of China

- **Operating 30 logistics hub projects in more than 34 logistics gateway cities**
- Successfully obtained warehouse land parcels for **Taiyuan Project** (site area of approx. 127,000 sqm) and **Chengdu Wenjiang Project** (site area of approx. 67,000 sqm), respectively
- **Jinhua Yiwu Project (E-commerce Industrial Park) and Phase II of Changsha Project (Stage A)** were successively completed and put into operation, thereby adding over 220,000 sqm of new operating area
- The Group has commenced a total of **4 new construction projects with a total GFA of approx. 520,000 sqm**, including Xiangtan Project, Wenzhou Project, Nanchang Changbei Project and Hefei Feixi Project (newly constructed part). The Group is also engaged in **4 renewal projects with a total GFA of approx. 430,000 sqm**, including Wuxi Jiangyin Project, Hainan Chengmai Project, Zhanjiang Project and Guiyang Xiuwen Project

Major Progress in Logistics Business

As at 30 June 2023, the Group has established its foothold in approx. **40** key logistics gateway cities nationwide, managing and operating a total of **34** logistics projects with over 4.5 million sqm of operating area, overall occupancy rate reached approx. 82% for the mature logistics parks



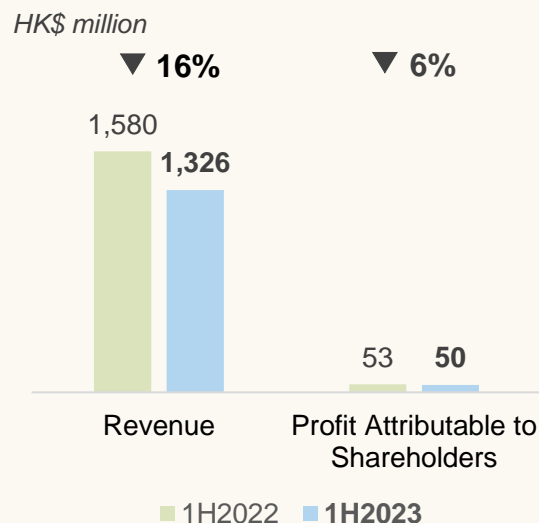
The Greater Bay Area

- **13 projects in total, of which 4 projects have been put into operation or under management**
- **SZI Intelligent Logistics Hub (Foshan Nanhai)** (GFA of approx. 93,000 sqm) and **SZI Intelligent Logistics Hub (Foshan Shunde)** (GFA of approx. 337,000 sqm) with an emphasis on intensification and intelligence in the overall planning, which are currently undergoing full-scale construction and are **expected to commence operations in 2024 and 2025, respectively**
- **SZI Intelligent Logistics Hub (Foshan Gaoming)** (site area of approx. 157,000 sqm), it is the third logistics park invested in by the Group in Foshan. **The construction of the project is expected to commence within 2023**
- Actively pursues the acquisition of land for the Zhaoqing Project, aiming to secure the project site during the 2H2023



2. Business Review – Port and Related Services Business

Port and Related Services Business



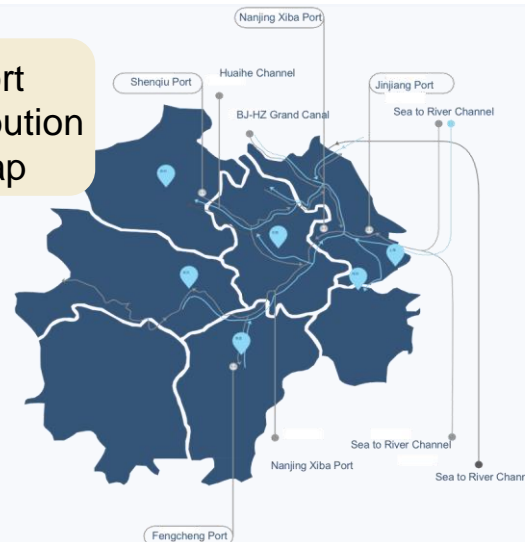
Financial Performance

- During the Period, the revenue from the port and related service business ▼16% YoY, primarily due to the varying degrees of production load reduction by end-user enterprises such as power and cement corporates, resulting in relatively weak market demand
- Profit attributable to shareholders ▼6% YoY to HK\$50.45 million. Excluding the impact of exchange rate fluctuation, profit attributable to shareholders maintained at a similar level YoY

Key Business Update

- **SZI Port (Nanjing Xiba) (with 70% equity interest):** During 1H2023, a total of 232 seagoing vessels berthed at Nanjing Xiba Port, with a total throughput of approx. 17.38 million tonnes, of which approx. 2.12 million tonnes were transported by train. Its business volume continued to rank No. 1 amongst 11 comparable ports along the Yangtze River
- Continued to put additional efforts in developing quality port projects, accelerating the construction of Jingjiang Port, Shenqiu Port and Fengcheng Port projects, expediting the establishment of the "1 + N" multi-point port network
 - **SZI Port (Jiangsu Jingjiang)(with 70% equity interest):** The construction of the main marine structures of the project has been completed and is scheduled to be put into operation by the end of 2023
 - **SZI Port (Henan Shenqiu)(with 40% equity interest):** It is planned to construct 26 berths for vessels and **will be built in three phases**. Four general-purpose berths in the first phase of the project have commenced operations in March 2023; Phases two and three of the project involve the construction of 22 berths and supporting land-based stacking yards, as well as the introduction of dedicated railway lines, enabling multimodal transportation by rail, road, and water
 - **SZI Port (Jiangxi Fengcheng)(with 20% equity interest):** Completed inspection and approval procedures in February 2023, and officially commenced operation in July 2023

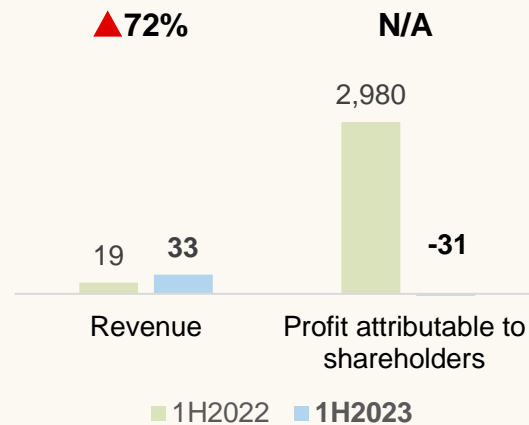
Port Distribution Map



2. Business Review – Logistics Park Transformation and Upgrading Business

Logistics Park Transformation and Upgrading Business

HK\$ million



Financial Performance

- During the Period, **revenue** from the logistics park transformation and upgrading business ▲72% YoY, primarily due to the new rental income and property management fee income contributed by a higher occupancy rate from the office and commercial development under the first phase of Qianhai Project
- Loss attributable to shareholders** amounted to approx. HK\$31.21 million, due to the significant increase in depreciation and amortization expenses following the commencement of operation of the new projects and the absence of one-off gain from the capital contribution of Qianhai Business as compared to the corresponding period of the previous year

Key Business Update

The First Phase (total GFA of approx. 110,000 sqm)

- The **office project** (approx. 35,000 sqm) “Shenzhen Yidu Building” is jointly managed and operated by the Group and CCID. As of 30 June 2023, this project recorded an occupancy rate of 80%. The **commercial project** (approx. 25,000 sqm): “Qianhai Yinli”, a boutique commercial project in Mawan area in Qianhai, which was jointly constructed with SCPG, officially commenced operation in September 2022. As of 30 June 2023, the overall occupancy rate of the project was 76.3%



SZI-Qianhai Project

The Second Phase (plot ratio-based GFA of approx. 110,000 sqm, residential area of approx. 91,000 sqm)

- Independently developed and operated** “Shenzhen Yicheng Qiwanli”, with a plot ratio-based GFA of about 65,000 sqm. As of 30 June 2023, the Group has received approx. RMB5.1 billion for the payment collection. It is expected to be completed and delivered by the end of 2023. As for the residential project jointly developed with **Shenzhen Vanke** (GFA of approx. 40,000 sqm), the pre-sale was completed in 2022 and the roofing is expected to be completed by the end of 2023

The Third Phase (plot ratio-based GFA of approx. 172,000 sqm)

- Independently developed and operated:** Plot ratio-based GFA of approx. 92,000 sqm (comprising office GFA of approx. 79,500 sqm, commercial GFA of approx. 12,000 sqm and community service center GFA of 1,000 sqm), the Group is currently in discussion with government authorities regarding related development matters
- Jointly developed with Shenzhen Vanke:** Residential project with plot ratio-based GFA of approx. 80,000 sqm (comprising residential area of approx. 50,000 sqm, apartment area of approx. 25,000 sqm and commercial area of approx. 5,000 sqm). Pre-sales of the residential project began on 1 April 2023 and it achieved a sales rate of approximately 87% as of 30 June 2023

The First Phase: Transformation & Upgrading Project

- The project is included in the spatial scope of the “North Railway Station Hub Urban Function Node” and “Strategically Reserved Area”. It has been written into the spatial blueprint for the medium-to-long-term development of the Longhua District for the next 15 years



SZI-South China Logistics Park Project

The Second Phase: SZI South China Digital Valley (site area of approx. 62,000 sqm)

- SZI South China Digital Valley will be developed and constructed in two stages. The first stage has been put into operation in December 2021 while the second stage is scheduled to commence operation in 2H2023

2. Business Review – Other Investments

Shenzhen Airlines

In the first half of 2023, a significant increase in demand for air passenger transportation accompanied the continued recovery of the domestic economy of the PRC, driving a noticeable revival of the country's civil aviation industry.



During the Period, Shenzhen Airlines carried **15.81 million passenger trips** and recorded passenger traffic of **24,395 million passenger-km**, representing an increase of 142% and 146% YoY respectively



As at 30 June 2023, the fleet size was **227 aircraft** (2022: 227). Currently, Shenzhen Airlines operates 314 domestic and international routes, including 296 domestic routes and 18 international routes



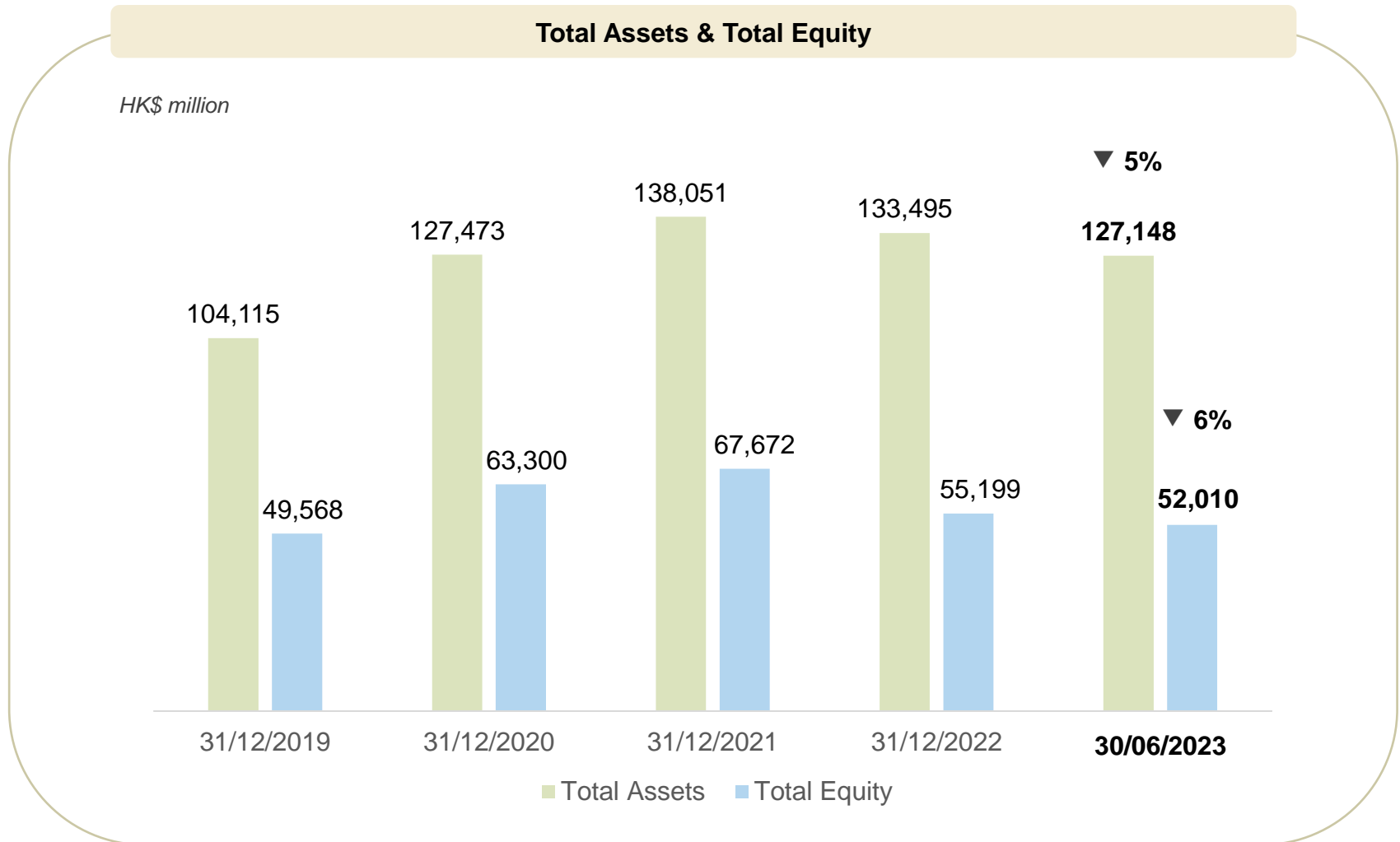
- However, due to the steep fuel costs and fluctuations in exchange rates and interest rates, changes in the willingness and mode of passenger travels, market dynamics and intensified competition, Shenzhen Airlines continues to experience considerable operational pressures
- During the Period, Shenzhen Airlines recorded a net loss of RMB1,420 million (equivalent to HK\$1,596 million) (2022: net loss of RMB4,594 million (equivalent to HK\$5,519 million))
- Based on equity method accounting, when the Group's share of accumulated losses in an associate equals or exceeds its interest in the associate, the Group does not recognize further losses. As the Group's interest in Shenzhen Airlines was reduced to nil, it did not recognize any further losses relating to the carrier during the Period (2022: loss of HK\$2,710 million)

3. Financial Position - Overview

	(HK\$ million)	30/06/2023	31/12/2022	Increase/(Decrease)
Total Assets		127,148	133,495	(5%)
Total Equity		52,010	55,199	(6%)
NAV Attributable to Shareholders		29,313	31,248	(6%)
NAV per Share Attributable to Shareholders (HK dollar)		12.2	13.1	(7%)
Cash		10,654	14,025	(24%)
Bank Borrowings		33,077	34,861	(5%)
Other Borrowings		137	314	(56%)
Notes and Bonds		16,969	18,592	(9%)
Total Borrowings		50,183	53,767	(7%)
Net Borrowings		39,529	39,742	(1%)
Debt-asset Ratio (Total Liabilities / Total Assets)		59%	59%	-
Ratio of Total Borrowings to Total Assets		39%	40%	(1)[#]
Ratio of Net Borrowings to Total Equity		76%	72%	4[#]
Ratio of Total Borrowings to Total Equity		96%	97%	(1)[#]

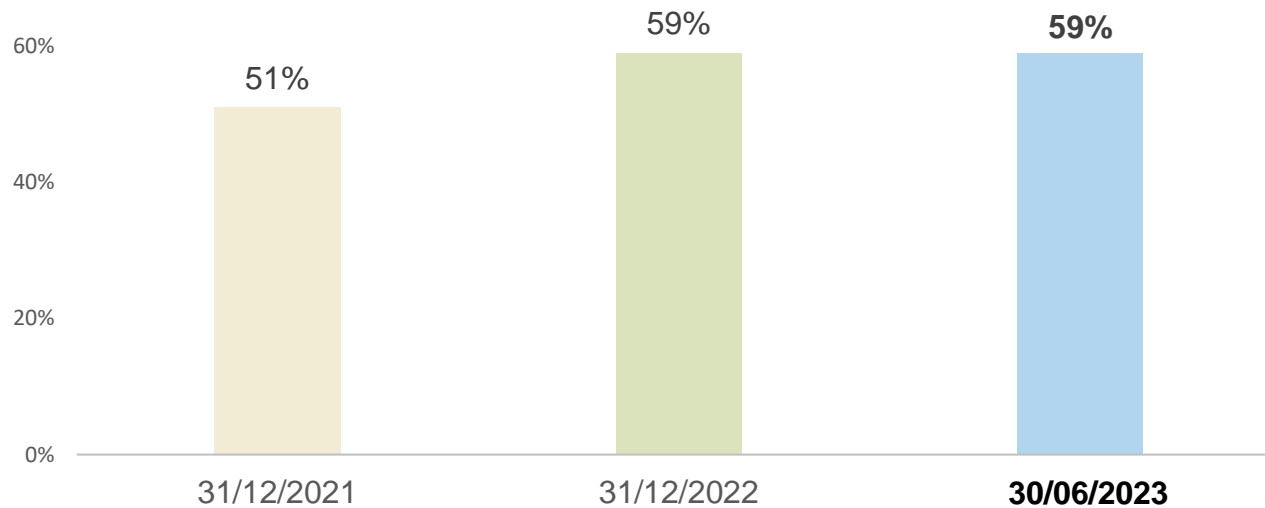
Change in percentage points

3. Financial Position - Total Assets & Total Equity



3. Financial Position - Debt-to-Asset Ratio

Debt-asset Ratio 59%

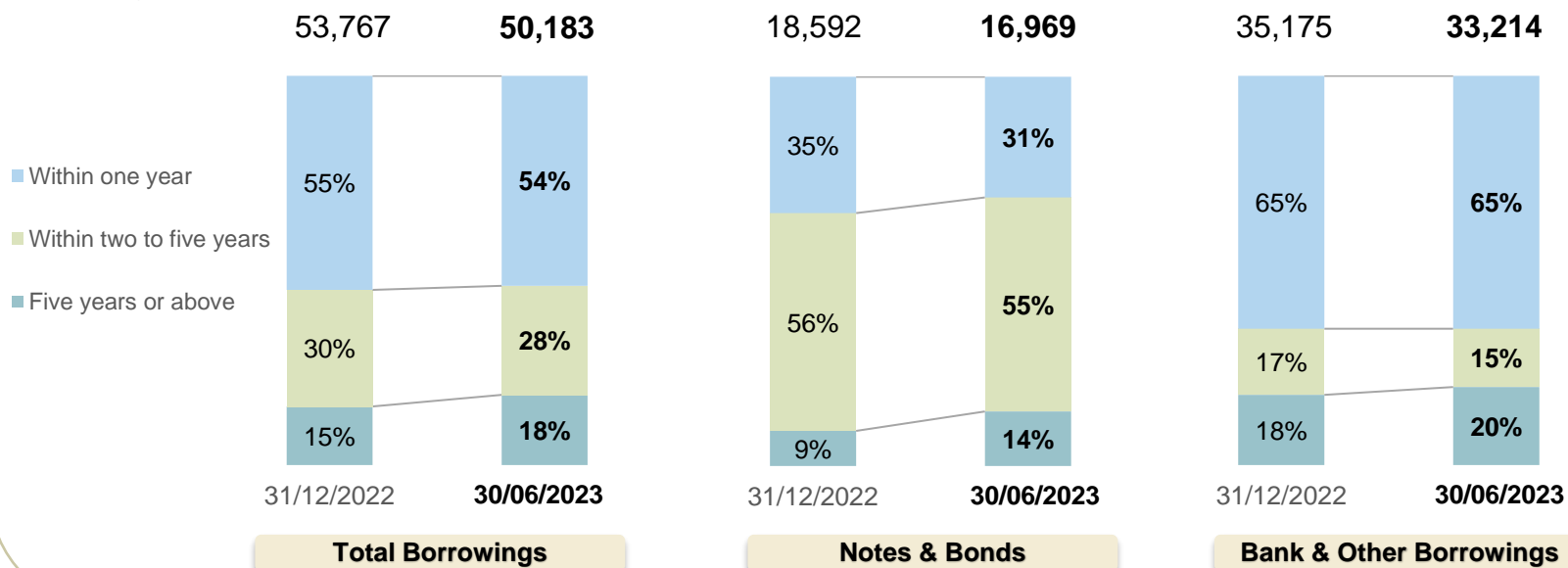


- The financial structure remains solid. With increased investment activity and additional borrowing during the Period, the debt-to-asset ratio is at a similar level as compared to the end of last year
- Remained investment-grade credit ratings from three major international credit rating agencies
- Remained “AAA” credit rating from domestic credit rating agencies

3. Financial Position - Maturity Structure of Debt

Maturity Structure of Debt

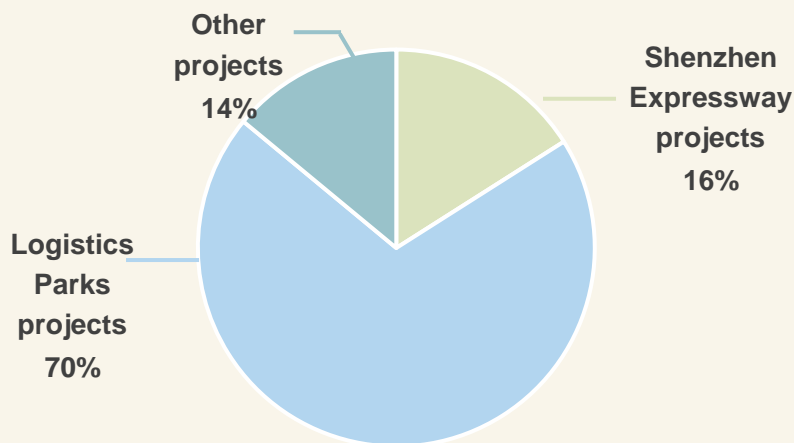
HK\$ million



- RMB/US\$ exchange rates fluctuated relatively wildly in 2023Q2, result in a net foreign exchange loss of HK\$610 million during the Period (1H2022: exchange loss of HK\$750 million)
 - Continue to monitor the exchange rate fluctuation
 - Continue to adjust the currency structure of its borrowings to mitigate RMB exchange rate fluctuation
 - As at 30 June 2023, the ratio between the Group's borrowings in RMB and other currencies was 56%:44% (Outstanding Borrowings: RMB26.1 billion, HK\$19.6 billion, US\$300 million)
 - The ratio between medium/long term and short-term borrowings to the Group's total borrowings was 46%:54%

3. Financial Position - Capital Expenditures

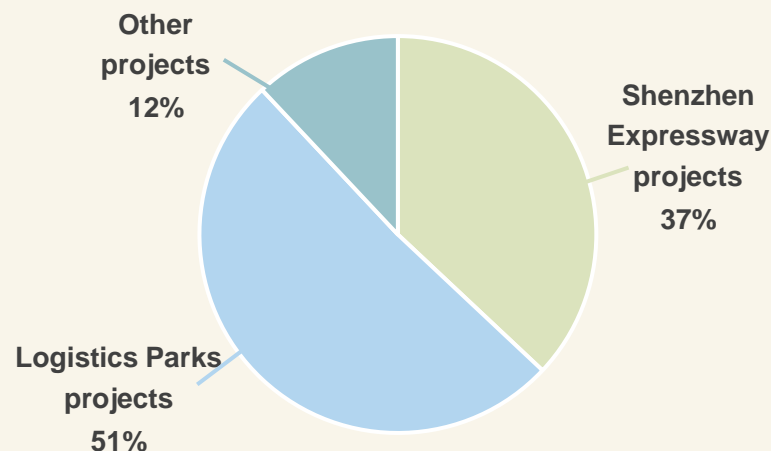
1H2023 Actual
HK\$4.0 billion (RMB3.7 billion)



1H2023 Capital Expenditures in Major Projects:

- Logistics parks projects: approx. RMB2.6 billion
- Port projects: approx. RMB0.29 billion
- Qianhai project: approx. RMB0.21 billion
- Shenzhen Expressway projects: approx. RMB0.61 billion

2H2023 Forecast
HK\$6.1 billion (RMB5.6 billion)



2H2023 Capital Expenditures Forecast in Major Projects:

- Logistics parks projects: approx. RMB2.87 billion
- Port projects: approx. RMB0.39 billion
- Qianhai project: approx. RMB0.25 billion
- Shenzhen Expressway projects: approx. RMB2.1 billion

Stabilizing and Strengthening the Quality of Core Logistics Business while Gradually Establishing Comprehensive Logistics Ecosystem



- Accurately identify the underlying dynamics of industry development and flexibly adapting its strategies to align with the prevailing circumstances. The Group will also continue to optimize the configuration of its facilities network, centered on strategic panoramic logistics and warehousing hubs through **"Inland Port Networking, Logistics Parks, Air Cargo and Railway Freight Logistics Infrastructure + Intelligent and Cold Chain Logistics"** ecosystem in order to advance rapidly in its high-quality development
- In terms of **logistics parks**, firstly, the Group will expand its investment in Shenzhen, with the goal of contributing to the development of Shenzhen as a national logistics center. Secondly, focus on creating Foshan as the "Secondary Hub", so that the Group's logistics infrastructure in the Bay Area can be interconnected. Thirdly, the Group has optimized the strategic configuration of its nationwide network through its "prioritizing excellence" strategy
- **"Retaining clients, retaining rents, and retaining occupancy rates"**: The Group will adopt effective measures to strengthen its core competencies in investment promotion and operation to enhance its operational efficiency and maintain relatively high occupancy rates in parks that have been in operation for more than a year. The Group will, under the premise of sound risk management, explore more businesses integrating asset-heavy and asset-light operations and value-added services, to improve its overall profitability

Ports



- **Accelerate the development of the operational capabilities of newly commissioned projects**, with the objective of bolstering the core competitiveness through integrating operations
- **Targeting to spin off its port business**, the Group will expedite project investment and operations, with strong emphasis on boosting its efficiency, while **strategically allocating project investment funds** in line with its objectives outlined in the "14th Five-Year" development plan



Air and Rail Logistics Business

- Strive to start the construction of the **second phase of Shenzhen Pinghunan Project** within 2023, and to be completed and put into operation in 2026
- Proactively expand its **asset-light businesses**, including domestic freight train services, high-speed rail freight, freight consolidation and multimodal transportation
- Actively collaborate with Air China Cargo and Shenzhen Airlines to carry out the preliminary work of Shenzhen Project, while promoting the preliminary work of Capital Airport Air Cargo Terminal Project

Intelligent Logistics + Cold Chain Logistics



- Actively advance its intelligent warehousing and cold chain logistics operations by leveraging its existing logistics park network
- Actively drive the implementation of new projects and initiate upgrades of cold chain park projects, **including Shanghai Minhang Project**, with the objective of expediting the **construction of a nationwide cold chain network**
- Capitalizing on its strategic investments in **Prolog and China Comservice**, the Group will pursue high-quality investment and merger and acquisition opportunities, and seize development opportunities in the intelligent warehousing and cold chain sub-segments

4. Outlook (Continued)



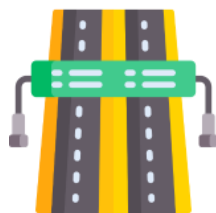
Long Closed Loop “Investment, Construction, Operation and Transformation” Business Model

- Follow up on existing projects: Closely monitor inventory and ensure the timely completion of “presold homes at “**Yicheng Qiwanli**”, a residential project in the second phase of Qianhai Project. In addition, the Group will actively maintain close communications with Qianhai Authority to make solid progress on the land swap initiative for the **third phase of Qianhai Project**
- Explore incremental growth opportunities: Continue to drive the transformation and upgrading of SZ South China Logistics Park. The Group will also accelerate the implementation of its “Multi-storey Factories + Multi-storey Warehouses” strategic plan in Pingshan District in Shenzhen, advancing the development of SZ Pingshan Project and driving the transformation and upgrading of SZ Pingshan East Project, alongside other equity mergers and acquisitions, in order to achieve synergies through the joint development of the three projects in a timely manner



Short Closed Loop “Investment, Construction, Financing and Operation” Business Model

- Further accelerating asset securitization:** the Group will expedite the issuance of publicly traded REITs by facilitating communication and coordination, actively seeking approval from different regulatory bodies, and targeting to complete the initial issuance of the first tranche of publicly-traded REITs within 2023
- Steadily push forward the setting up of a private equity fund** and finalizing the proposal for a new logistics warehousing and storage infrastructure fund



Consolidate and Develop its Toll Road Core Business

- Implement a refined approach to operational management, focusing on cost reduction and efficiency enhancement to bolster the profitability of operating projects
- Carry out research on the development plan of land resources along the expressway
- Preparatory work for the **third phase of Shenzhen Outer Ring Expressway** will also be accelerated, with the aim of commencing construction within 2023
- Fully cooperate with the government to optimize the investment and financing proposal of **Jihe Expressway R&E Project**



Strengthening Quality and Efficiency of Core General-Environmental Protection Business

- Focus on the fields of **solid waste treatment and clean energy** to further enhance its capacity to develop market-oriented projects. The Group will intensify its efforts to engage in M&A and new construction projects in premium regions, consolidating and strengthening its existing competitive edge
- By bolstering its construction and management capabilities, the Group will ensure the timely completion and operation of projects currently in progress, including **Guangming Environmental Park Project and Bioland Environmental Project**
- Enhance the profitability of **organic waste treatment projects** and further drive cost reduction and efficiency improvement at **wind farm operations**, ultimately enabling the Group to achieve high-quality sustainable development.
- Explore applications on **distributed photovoltaic**



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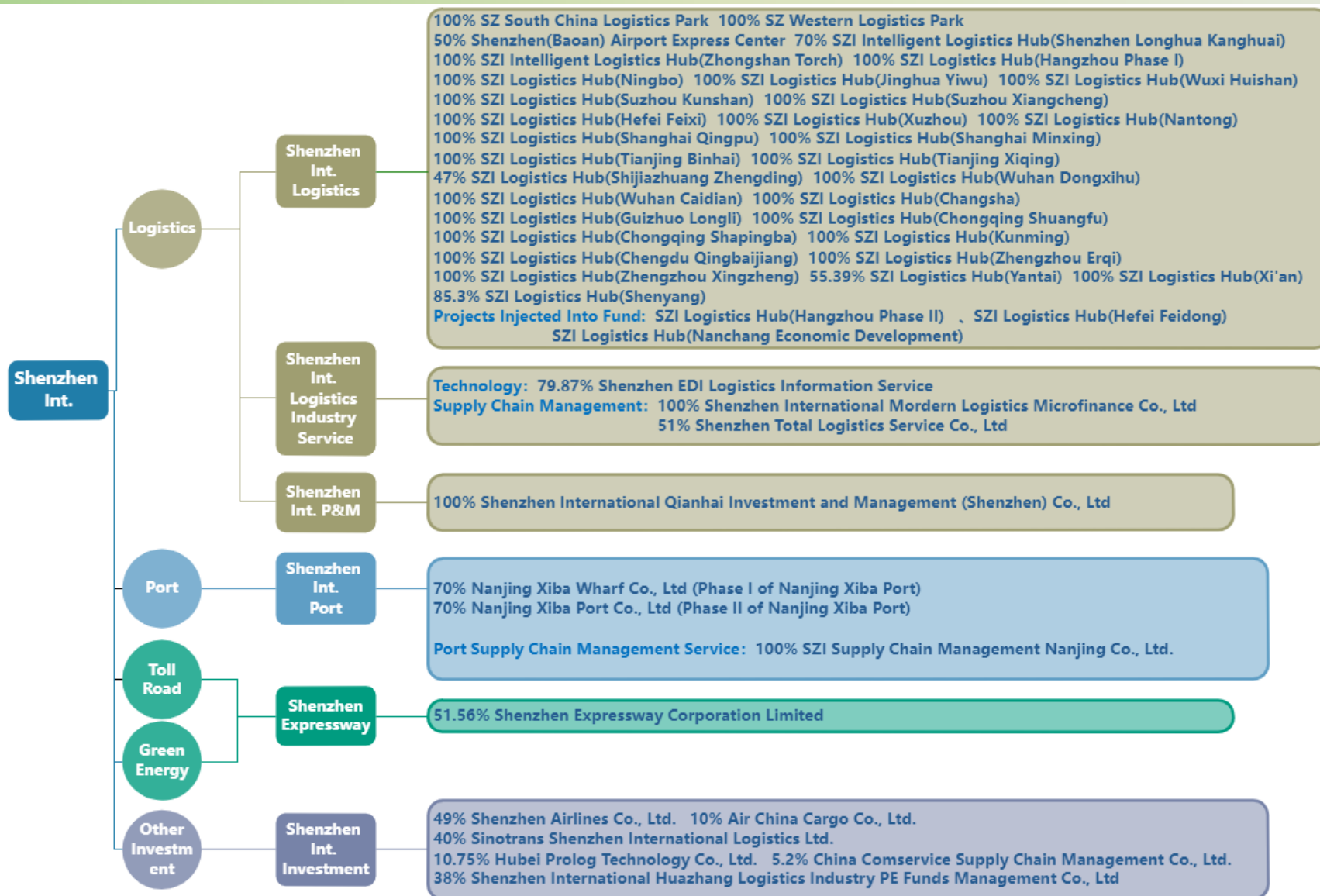


Appendix



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Building Value Sharing Future

Appendix 1 - Corporate Structure



Only projects in operation are included

* Excluding a residential land use project held by an associate in which the Group holds 50% equity interest and an office project held by a subsidiary in which the Group holds 83.3% equity interest

Appendix 2 – Income Statement

<i>HK\$ million</i> <i>For the six months ended 30 June</i>	2023	2022	Increase/Decrease
Revenue	6,918	7,487	(8%)
Cost of sales	(4,639)	(5,124)	(9%)
Gross profit	2,279	2,363	(4%)
Other gains -net	165	3,130	(95%)
Other income	117	75	56%
Distribution costs	(68)	(55)	24%
Administrative expenses	(378)	(505)	(25%)
Operating profit	2,115	5,008	(58%)
Share of profit of joint ventures	96	91	5%
Share of profit of associates	355	(2,179)	(116%)
Profit before finance costs and income tax	2,566	2,920	(12%)
Finance costs - net	(1,446)	(1,381)	5%
Profit before income tax	1,120	1,539	(27%)
Income tax expense	(494)	(357)	38%
Profit for the period	626	1,182	(47%)
Non-controlling interests	534	553	(3%)
Perpetual securities holders	-	(47)	-
Profit attributable to shareholders	92	582	(84%)
Basic earnings per share (HK dollars)	0.04	0.26	(85%)

Appendix 3 – Segment Results

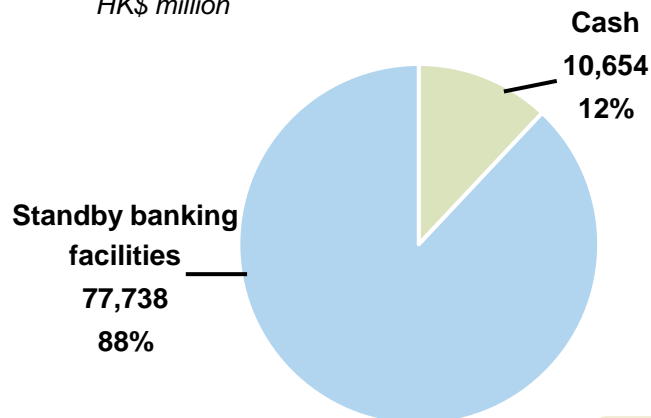
HK\$ million For the six months ended 30 June	Revenue		Operating Profit		Share of Profit of Associates & JVs		EBIT	
	2023	2022	2023	2022	2023	2022	2023	2022
Toll Roads								
Revenue	4,180	4,618	1,700	1,735	384	396	2,084	2,131
Construction service revenue	453	300	-	-	-	-	-	-
Toll roads subtotal	4,633	4,918	1,700	1,735	384	396	2,084	2,131
Logistics parks	756	740	493	234	13	7	506	241
Logistics services	170	230	11	19	1	5	12	24
Port and related services	1,326	1,580	94	103	-	-	94	103
Logistics park transformation and upgrading services	33	19	(26)	2,982	-	-	(26)	2,982
Sub-total	2,285	2,569	572	3,338	14	12	586	3,350
Head office functions	-	-	(157)	(65)	53	(2,496)	(104)	(2,561)
	6,918	7,487	2,115	5,008	451	(2,088)	2,566	2,920
Finance income							110	175
Finance costs							(1,556)	(1,556)
Finance costs - net							(1,446)	(1,381)
Profit before income tax & NCI							1,120	1,539

Appendix 4 – Financial Position (1)

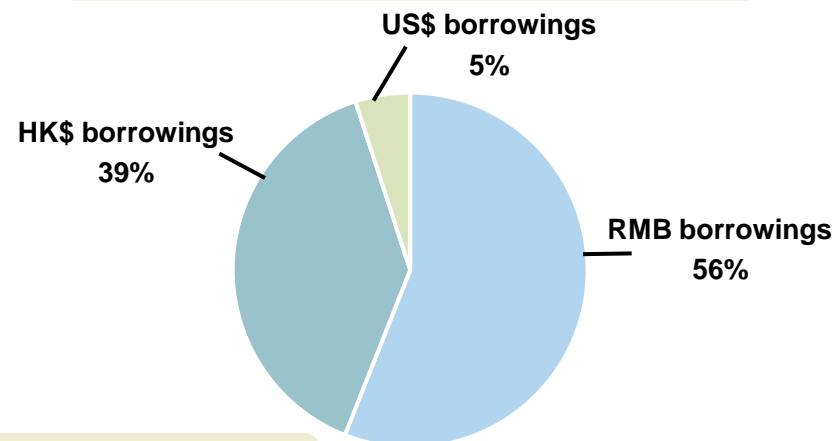
The Group's Borrowing Profile
As at 30 June 2023

Cash & Standby Banking Facilities

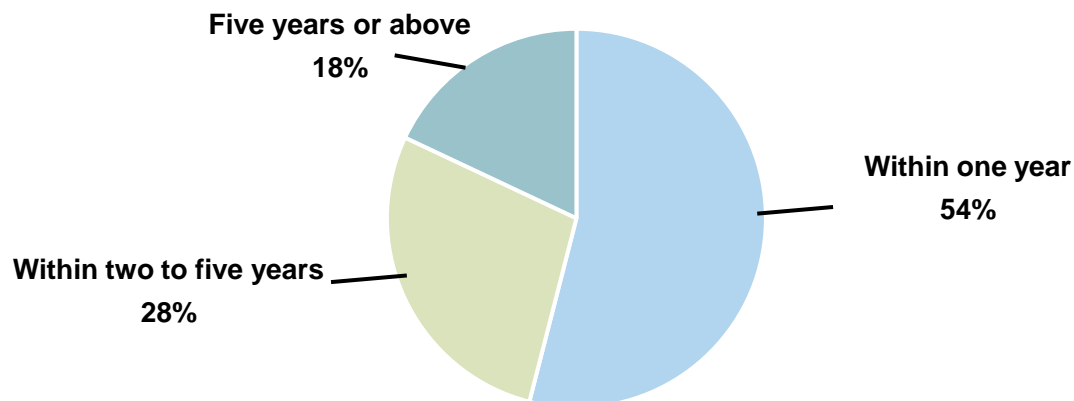
HK\$ million



Total Borrowings: HK\$50,183 million - in Currency



Total Borrowings: HK\$50,183 million - Repayment Period



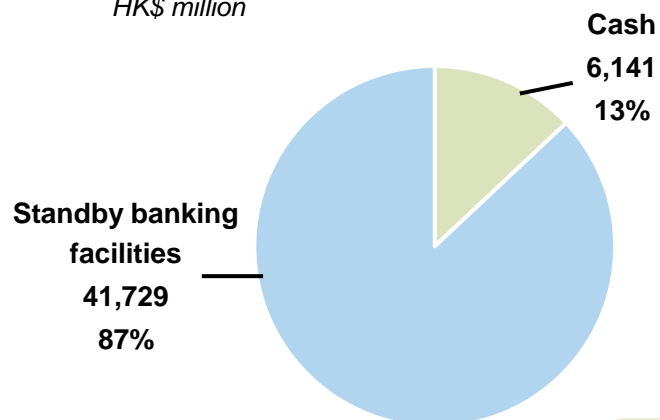
Appendix 4 - Financial Position (2)

Excluding Shenzhen Expressway

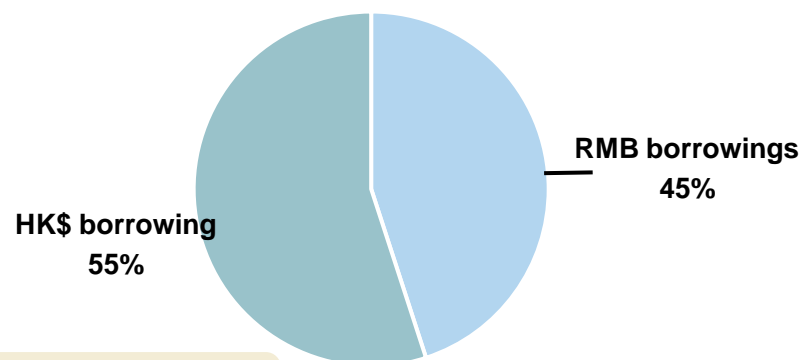
The Group's Borrowing Profile
As at 30 June 2023

Cash & Standby Banking Facilities

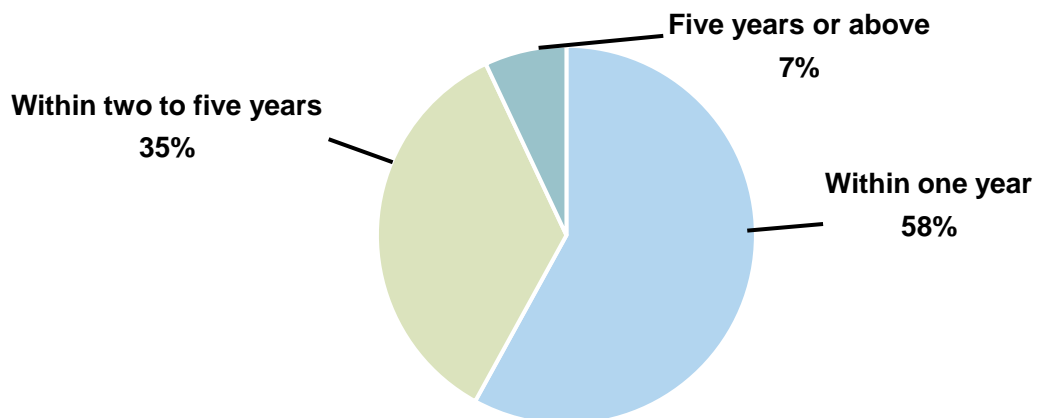
HK\$ million



Total Borrowings: HK\$16,822 million - in Currency



Total Borrowings: HK\$16,822 million - Repayment Period



Appendix 5 – Locations of Logistics Park



Overview	
□	Established footholds in about 40 key logistics gateway cities nationwide, managing and operating a total of 34 logistics projects in 1H2023
□	Total operating area of approx.4.5 million sqm
□	Overall occupancy rate of approx.82% for the mature logistics parks

- Projects already in operation
- Projects under construction
- Port project
- Management Project

Appendix 6 – Logistics Projects Overview

Projects in Operation			
Logistics Parks in the Greater Bay Area	Logistics Hubs	Pinghunan National Logistics Hub	☐ Planned site area: 900K sqm
		Western Highway Logistics Hub Project	☐ Planned site area: 75K sqm
	Logistics Parks	SZ South China Logistics Park	☐ Planned site area: 578K sqm; Operating area: 312K sqm
		SZ Western Logistics Park	☐ Operating area: 122K sqm
		SZ Kanghuai E-commerce Center▲	☐ Operating area: 143K sqm
	SZI Intelligent Logistics Hubs	SZ Liguang Project	☐ Planned site area: 45K sqm
		SZ Pingshan Project	☐ Planned site area: 120K sqm
		SZ Yantian Comprehensive Bonded Project	☐ Planned site area: 32K sqm
		Zhongshan Torch Project	☐ Planned site area: 58K sqm; Operating area: 66K sqm
		Zhaoqing Gaoyao Project	☐ Planned site area: 100K sqm
		Foshan Nanhai Project	☐ Planned site area: 76K sqm
		Foshan Shunde Project	☐ Planned site area: 200K sqm
	Foshan Gaoming Project	☐ Planned site area: 157K sqm	
Integrated Logistics Hub Projects in Other Regions of China SZI Logistics Hubs	Zhejiang	Hangzhou Project☐	☐ Planned site area: 239K sqm (first phase); Operating area: 456K sqm (first phase & second phase)
		Ningbo Project	☐ Planned site area: 194K sqm; Operating area: 57K sqm
		Jinhua Yiwu Project	☐ Planned site area: 440K sqm; Operating area: 559K sqm
		Jinhua Economic Development Project	☐ Planned site area: 136K sqm
		Wenzhou Longgang Project	☐ Planned site area: 139K sqm
	Jiangsu-Anhui	Wuxi Huishan Project	☐ Planned site area: 347K sqm; Operating area: 120K sqm
		Wuxi Jiangyin Project	☐ Planned site area: 133K sqm
		Suzhou Kunshan Project	☐ Planned site area: 117K sqm; Operating area: 96K sqm
		Suzhou Xiangcheng Project	☐ Planned site area: 33K sqm; Operating area: 19K sqm
		Hefei Feidong Project☐	☐ Operating area: 93K sqm
		Hefei Feixi Project	☐ Planned site area: 422K sqm; Operating area: 191K sqm

Appendix 6 – Logistics Projects Overview (Continued)

Projects in Operation			
Integrated Logistics Hub Projects in Other Regions of China SZI Logistics Hub	Jiangsu-Anhui	Jurong Project	☐ Planned site area: 400K sqm
		Xuzhou Project	☐ Planned site area: 140K sqm; Operating area: 72K sqm
		Nantong Project	☐ Planned site area: 152K sqm; Operating area: 129K sqm
		Shanghai Qingpu Project	☐ Planned site area: 23K sqm; Operating area: 30K sqm
		Shanghai Minxing Project	☐ Planned site area: 35K sqm; Operating area: 52K sqm
		Huaian Project	☐ Planned site area: 111K sqm
		Taizhou Project	☐ Planned site area: 88K sqm
	Beijing-Tianjin-Hebei Region	Tianjin Binhai Project	☐ Planned site area: 60K sqm; Operating area: 33K sqm
		Tianjin Xiqing Project	☐ Planned site area: 116K sqm; Operating area: 78K sqm
		Shijiazhuang Zhengding Project	☐ Planned site area: 467K sqm; Operating area: 64K sqm
		Shijiazhuang Yuanshi Project	☐ Planned site area: 144K sqm
	Central China	Wuhan Dongxihu Project	☐ Planned site area: 133K sqm; Operating area: 63K sqm
		Wuhan Caidian Project	☐ Planned site area: 267K sqm; Operating area: 117K sqm
		Wuhan Huangpi Project	☐ Planned site area: 67K sqm
		Nanchang Economic Development Project☐	☐ Operating area: 87K sqm
		Nanchang Changbei Project	☐ Planned site area: 157K sqm
		Changsha Project	☐ Planned site area: 347K sqm; Operating area: 240K sqm
		Xiangtan Yuetang Project	☐ Planned site area: 102K sqm
		SZI Intelligent Logistics Hub (Yueyang)▲	☐ Operating area: 52K sqm
	Southwest China	Guizhou Longli Project	☐ Planned site area: 348K sqm; Operating area: 142K sqm
Guiyang Xiuwen Project		☐ Planned site area: 200K sqm	
Chongqing Shuangfu Project		☐ Planned site area: 157K sqm; Operating area: 58K sqm	
Chongqing Shapingba Project		☐ Planned site area: 146K sqm; Operating area: 116K sqm	
Kunming Project		☐ Planned site area: 172K sqm; Operating area: 119K sqm	

Appendix 6 – Logistics Projects Overview (Continued)

Projects in Operation			
Integrated Logistics Hub Projects in Other Regions of China SZI Logistics Hub	Southwest China	Chengdu Qingbaijiang Project	☐ Planned site area: 129K sqm; Operating area: 126K sqm
		Chengdu Wenjiang Project	☐ Planned site area: 67K sqm
	Southern China	Zhanjiang Project	☐ Planned site area: 200K sqm
		Hainan Chengmai Project	☐ Planned site area: 63K sqm
		Haikou Gaoxin Project	☐ Planned site area: 67K sqm
	Northern China	Zhengzhou Erqi Project	☐ Planned site area: 110K sqm; Operating area: 129K sqm
		Zhengzhou Xinzheng Project	☐ Planned site area: 497K sqm; Operating area: 215K sqm
		Yantai Project	☐ Planned site area: 69K sqm; Operating area: 40K sqm (including approx.10K sqm operation on a lease base)
		Xi'an Project	☐ Planned site area: 120K sqm; Operating area: 93K sqm
		Taiyuan Project	☐ Planned site area: 127K sqm
		Shenyang Project	☐ Planned site area: 700K sqm; Operating area: 242K sqm

Note:

☐ SZI Logistics Hub (Nanchang Economic Development), the second phase of SZI Logistics Hub (Hangzhou) and SZI Logistics Hub (Hefei Feidong): held by Shenshi Smart Logistics Infrastructure Private Equity Partnership, a joint venture held by the Group as to 40% equity interest. The Group still maintains the right to operate and manage the above-mentioned logistics hubs, providing them with professional services such as operation and maintenance, and continues to charge service fees

▲ Management project

Appendix 7 - Transformation and Upgrading of SZI South China Logistics Park (Phase I)



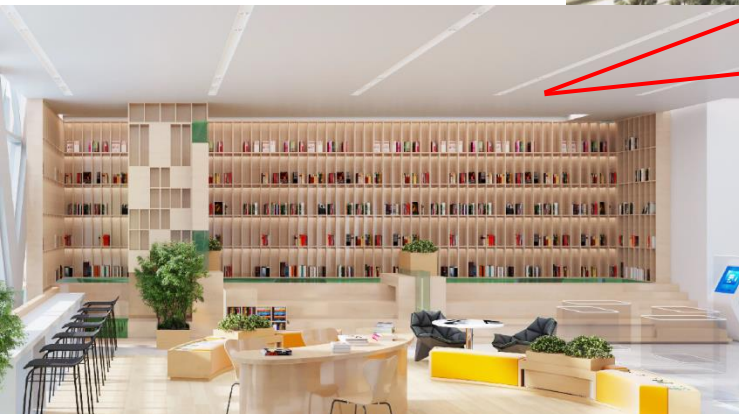
SZI South China Logistics Park (real image)



SZI South China Logistics Park Transformation and Upgrading (location illustration)

Appendix 8 - Transformation and Upgrading of SZI South China Logistics Park (Phase II)

Aligns with Longhua District's "Digital Longhua" development strategy. With a focus on the digital economy, targets enterprises in the areas of artificial intelligence, 5G technologies and industrial internet, with the aim of promoting the integration of regional industries and the city, empowering regional development with the digital industry and injecting new momentum into regional economic development



Operation Level of SZI South China Digital Valley (illustration)

Appendix 9 - SZI Kanghuai E-commerce Center (real image)



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**The first asset-light management project operated by the Group
with an operating area of approx. 143K sqm
Achieved an overall occupancy rate of 93.8% as at 30 June 2023**

Appendix 10 - SZI Rail Terminal Logistics Hub (SZ Pinghunan)



conceptual
planning
illustration



real image

Aims at commencing construction by the end of 2023 or the beginning of 2024 for completion in 2026

Achieving an integrated
“Rail Transportation + Modern Logistics” development

- Total site area of approx. 900K sqm
- An estimated GFA of logistics warehouses of approx. 850K sqm
- For the Phase I project, the area of the railway yard/freight yard in operation is approx. 170,000 sqm, moreover, the Group successfully acquired the land use rights for the construction of the second phase of the warehouse project which is aiming to complete in 2026



Appendix 11 - SZI Intelligent Logistics Hub (Shenzhen Liguang) (real image)



Site area of approx. 45K sqm; planned GFA of approx. 265K sqm

This project is designed to be a modern high-standard, intelligent and eco-friendly modern logistics park that sets an industry benchmark

Completed the engineering planning acceptance procedures in May 2023, and will be put into operation in batches in 2H2023

Appendix 12 - SZI Intelligent Logistics Hub (Shenzhen Pingshan) (planning illustration)



Planned site area of approx. 120K sqm, and planned GFA of approx. 450K sqm
In April 2022, the Group completed the acquisition of 70% equity interest for this project
A groundbreaking ceremony was held on 30 May 2023, and it is scheduled to be completed and put into operation by 2025
It will be a demonstration base for deep integration of “high-end manufacturing and intelligent logistics” and will also act as an
“shared intelligent logistics service center” for emerging industries

Appendix 13 - SZI Intelligent Logistics Hub (Shenzhen Yantian) (planning illustration)



Site area of approx. 32K sqm, planned GFA of approx. 127K sqm
It was selected as one of Shenzhen's major projects in 2023
Completed the topping-out of the main structure in April 2023 and structural acceptance in late June 2023
The project is expected to be completed and be and put into operation by the end of 2023

Appendix 14 - SZI Intelligent Logistics Hub (Foshan Nanhai & Shunde) (planning illustration)



Foshan Nanhai Project
Planned site area: approx. 76K sqm



Foshan Shunde Project
Planned site area: approx. 200K sqm

The Group successfully obtained at the beginning of 2022
Its overall planning will focus on “intensification” and “intelligence”
Currently undergoing full-scale construction and are expected to commence operations in 2024 and 2025

Appendix 15 - SZI Logistics Hub (Jinhua Yiwu) (real image)



**Planned site area: approx. 440K sqm;
Area in operation: approx. 559K sqm**

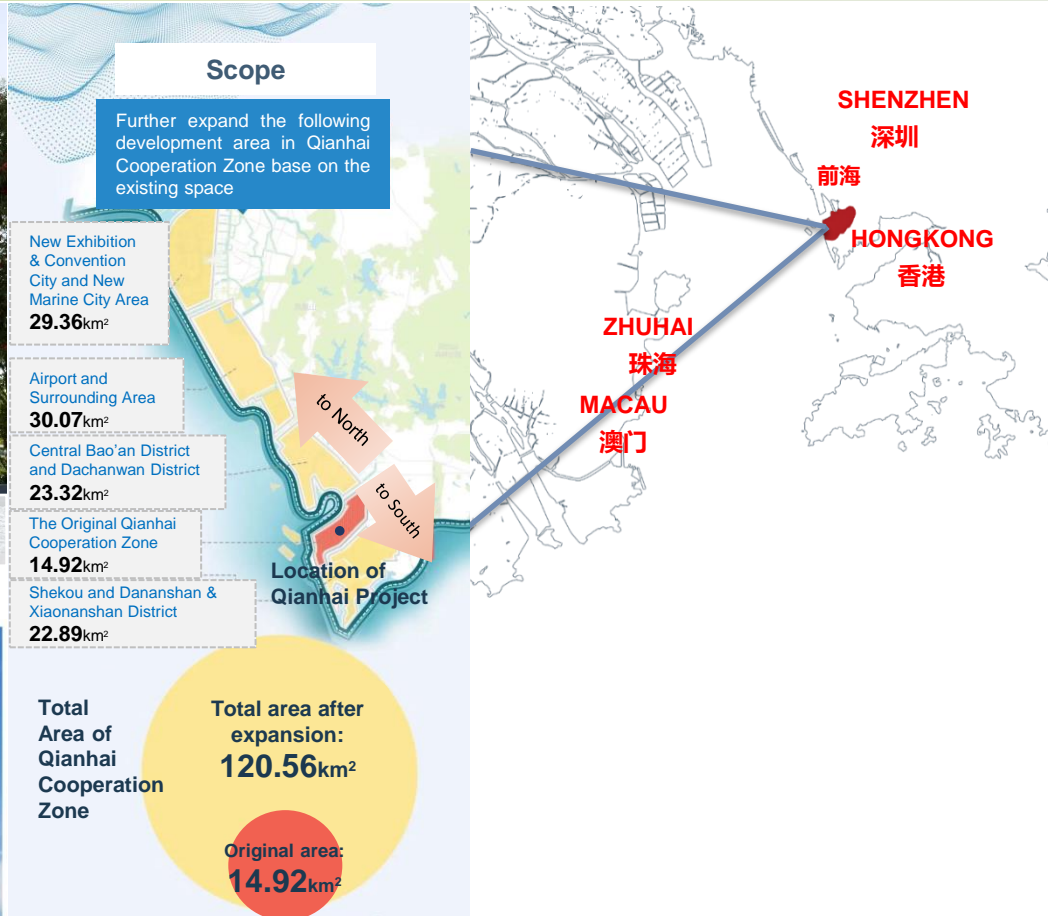
Appendix 16 - SZI P&M (Shenzhen Qianhai)



“SZ Yicheng Qiwanli”, the second phase of the Qianhai Project (illustration)



Real image of the first phase of the Qianhai Project



The Qianhai Project represents the first successful project under the long closed-loop “Investment, Construction, Operation and Transformation” development model, and will continue to unlock its development value in the coming few years

Appendix 16 - SZI P&M (Shenzhen Qianhai Yinli) (real image)



The project officially commenced operation in September 2022(As of 30 June 2023, the project had attained an overall occupancy rate of 76.3%)

A boutique commercial project integrating high quality of life, culture and arts, social-circle interaction and digitalized lifestyle (commercial part of the first phase of the Qianhai Project)

Appendix 17 - SZI P&M (Shijiazhuang Zhenyue Tiandi) (planning illustration)



Its commercial component covers a GFA of 330,000 sqm

Construction of the innovative, entrepreneurship-focused office and themed street commenced in March 2022, while the main structural elements are expected to be completed in 2H2023. Construction of a large-scale indoor skiing facility commenced in 1H2023. An international business hotel and commercial center have obtained project planning permits and construction is due to commence in 2H2023. The Group aims to actively explore the application of integrated energy solutions during the construction and operation of the project, which is expected to be fully operational by the end of 2025

Appendix 18 – SZI Ports



SZI Port (Nanjing Xiba) (real image)
Business volume rank first amongst 11 similar ports along the Yangtze River in 1H2023.



SZI Port (Jiangsu Jingjiang) (real image)
Scheduled to be put into operation by the end of 2023.



SZI Port (Henan Shenqiu) (real image)
The first vessel successfully berthed and underwent heavy load testing at the end of 2022.



Chengdu Qingbaijiang Cold Storage Warehouse Project (completed and put into operation)
The first self-constructed cold storage warehouse project by the Group, marking the first successful stride in exploring cold chain warehousing operations



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