



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

(Stock code: 00152)

Attn: Business Editor

【For Immediate Release】

Shenzhen International Announces 2010 Interim Results *Profit Attributable to Shareholders Increases by 42% to HK\$712 Million*

Financial Highlights:

- Revenue (excluding construction service revenue from toll roads) amounted to HK\$1,899 million, an increase of 58% over the same period of 2009.
- Profit attributable to shareholders amounted to HK\$712 million, up 42% over the same period of 2009.
- Basic earnings per share amounted to HK5.03 cents (2009 same period: HK3.59 cents).

Hong Kong, 24 August 2010 ... Shenzhen International Holdings Limited (“Shenzhen International” or the “Company”) (HKEx: 152) announced the unaudited operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2010 (the “Period”).

During the Period, revenue (excluding construction service revenue from toll roads) of the Group amounted to HK\$1,899 million, representing an increase of 58% over the same period of 2009. Profit attributable to shareholders amounted to HK\$712 million, an increase of 42% year-on-year. Basic earnings per share amounted to HK5.03 cents (2009 interim: HK3.59 cents). Profit before finance costs and tax of the core business amounted to HK\$1,126 million, an increase of 48% year-on-year. During the Period, the upward adjustment of the PRC corporate income tax rate and the year-on-year increase of finance costs have lowered the growth of profit. However, Shenzhen Airlines Limited (“Shenzhen Airlines”) contributed a profit of HK\$41.75 million to the Group. Furthermore, owing to the disposal of A shares of CSG Holding Co., Ltd. (“CSG”) during the Period, a profit of HK\$257 million was realised.

Mr. Guo Yuan, Chairman of Shenzhen International, said, “In the first half of 2010, the business environment showed further improvements and the Group’s various core business achieved satisfactory growth. The toll road business saw strong growth momentum, benefitting from the rebound of the Chinese economy, continued growth in automobile ownership and successive openings and operations of toll roads newly built or acquired in recent years. Revenue from the logistics business is expected to rise substantially following the large-scale operation of new logistics centre area; and the commencement of operation of Nanjing Xiba Port as well as the increased shareholding in Shenzhen Airlines is becoming new profit growth drivers of the Group.”

During the Period, toll revenue and profit before finance costs and tax of the toll road business of the Group amounted to HK\$1,703 million and HK\$1,026 million respectively, representing increases of 63% and 40% year-on-year. Profit attributable to shareholders amounted to HK\$389 million, representing an increase of 21% year-on-year. The increase in revenue was mainly due to the fact that the Group has benefitted from various factors including good performance of the PRC economy, an increase in traffic demand due to the rebound of China’s import and export trade as well as continuous growth in private car ownership resulted from the Chinese government’s support for the automobile industry. The toll road business has seen a strong growth as a result.

For the logistic park business of the Group, revenue and profit before finance costs and tax amounted to HK\$119 million and HK\$29.44 million respectively during the Period, up 30% and 28% respectively over the same period of 2009. Net profit attributable to shareholders amounted to

HK\$23.97 million, an increase of 7% year-on-year. The increase was mainly attributable to the economic recovery, a significant increase in import and export trading in China, as well as an increase of new logistic centres that commenced operations during the Period. Such increase in new operating logistic centres led to an increase in operating area by 114,000 square metres or 34% as compared to the end of last year to 450,000 square metres.

As regards the port business, Nanjing Xiba Port has completed the construction of two general bulk cargo terminal berths for 50,000-ton vessels and a depot with a site area of 200,000 square metres in its Phase I project, and has commenced trial operation since April this year. During the two-month trial operation period, a total revenue of HK\$4.89 million was recorded.

Revenue of the logistic service business during the Period increased by 6% as compared to the same period of the previous year to HK\$72.59 million. Revenue increased primarily owing to an improved economy which led to increased sea and air transportation volumes, as well as increased business volume as a result of active cooperation with existing customers in their business restructuring and an expansion of the scope of our services.

Moreover, during the Period, the Group completed its increase in capital contribution to Shenzhen Airlines and turned Shenzhen Airlines into an associate company of the Group. During the Period, Shenzhen Airlines recorded a profit attributable to shareholders of HK\$415 million. Since completion of the capital injection to Shenzhen Airlines, for the two months up to 30 June 2010, Shenzhen Airline contributed a profit of HK\$41.75 million to the Group.

During the Period, the Group disposed of a total of approximately 14.52 million A shares of CSG at an average selling price of RMB22.07 (HK\$25.17) per share, and the Group realised a profit after tax of approximately HK\$257 million.

Looking ahead to the second half of the year, Mr. Guo said, "We expect the operating performance of toll highways will maintain a steady growth. In the second half, we will put our efforts to improve traffic capacity, enhance our service quality, and take full advantage of an improved road network. The expansion of the operating scale of the logistic parks will bring room for growth to the revenue of the Group's logistic business for the second half of the year. The operating areas of currently completed logistic centres account for merely one third of the total buildable area, therefore there is still a great room for further development and growth. The commencement of operation of Nanjing Xiba Port in April has operated in a good manner and will become a new profit growth driver for the Group. Demand in the domestic aviation market will continue to grow in the second half of the year and it is expected that Shenzhen Airlines will contribute a higher profit to the Group. By fully capitalising on the increasing emphasis that the State has placed on the development of the civil aviation industry and the favourable economic conditions of the PRC, Shenzhen Airlines will grow into a renowned nationwide airline in the Asia-Pacific region."

Shenzhen International Holdings Limited

Shenzhen International and its subsidiaries are principally engaged in the investment, construction and operation of logistics infrastructures and facilities, as well as the provision of relevant logistics services which include third-party logistics services and logistics information services. Shenzhen Investment Holding Corporation, the controlling shareholder of Shenzhen International, is an investment holding institution empowered by the Shenzhen Municipal Government.

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Encl.: Condensed Consolidated Interim Income Statement (Unaudited)

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Shenzhen International Holdings Limited
2010 Interim Results

(Prepared in accordance with Hong Kong Financial Reporting Standards)

Condensed Consolidated Interim Income Statement (Unaudited)

	For the six months ended 30 June		
	2010	2009	Change
	<i>HK\$'000</i>	<i>HK\$'000</i>	%
Revenue	2,266,006	1,693,578	34%
Cost of sales	(1,255,509)	(1,069,638)	17%
Gross profit	1,010,497	623,940	62%
Other gains – net	379,572	290,791	31%
Other income	50,302	29,883	68%
Distribution costs	(12,331)	(9,533)	29%
Administrative expenses	(85,524)	(79,247)	8%
Other operating expenses	-	(10,839)	N/A
Operating profit	1,342,516	844,995	59%
Share of profit of jointly controlled entities	3,869	152,219	(97%)
Share of profit of associates	139,474	44,858	211%
Profit before finance costs and tax	1,485,859	1,042,072	43%
Finance income	11,024	12,918	(15%)
Finance costs	(334,576)	(230,089)	45%
Finance costs – net	(323,552)	(217,171)	49%
Profit before income tax	1,162,307	824,901	41%
Income tax expense	(248,463)	(131,405)	89%
Profit for the Period	913,844	693,496	32%
Attributable to:			
Equity holders of the Company	712,337	503,262	42%
Non-controlling interests	201,507	190,234	6%
	913,844	693,496	32%
Earnings per share for the profit attributable to equity holders of the Company during the Period (expressed in HK cents per share)			
– Basic	5.03	3.59	40%
– Diluted	4.79	3.46	38%
Dividend	–	–	N/A