



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 Annual Results
Profit Attributable to Shareholders Increases by 48% to HK\$1,280 Million

Financial Highlights:

- Revenue (excluding construction service revenue from toll roads) amounted to HK\$4,202 million, an increase of 46% over 2009.
- Profit attributable to shareholders amounted to HK\$1,280 million, up 48% over 2009.
- Basic earnings per share amounted to HK9.03 cents (2009: HK6.17 cents), up 46% over 2009.
- Payout ratio to shareholders to increase to 38% (2009: 35%), with a final cash dividend of HK2.15 cents per share and a special cash dividend of HK0.85 cent per share to be distributed, thereby distributing total cash dividend for the Year of HK3.00 cents per share (2009: HK2.17 cents per share) ; total dividends for the Year to amount to HK\$491 million (2009: HK\$307 million), representing an increase of 60%.

Hong Kong, 30 March 2011 ... Shenzhen International Holdings Limited (“Shenzhen International” or the “Company”) (HKEx: 00152) announced the audited operating results of the Company and its subsidiaries, jointly controlled entities and associates (collectively the “Group”) for the twelve months ended 31 December 2010 (the “Year”).

During the Year, revenue of the Group (excluding construction service revenue from toll roads) amounted to HK\$4,202 million, representing an increase of 46% over 2009. Profit attributable to shareholders amounted to HK\$1,280 million, an increase of 48% over 2009. Basic earnings per share amounted to HK9.03 cents (2009: HK6.17 cents). Net profit of the core business amounted to HK\$913 million, representing an increase of 58% over 2009.

Mr. Guo Yuan, Chairman of Shenzhen International, said, “Benefitting from the significant rebound in the macro-economy and in imports and exports, the continued implementation of an array of favourable revitalisation plans for the automobile industry and improving road network in China, both the growth in business volume of the logistic business and the growth in traffic volume on the toll roads of the Group exceeded expectations. During the Year, the operating area of logistic centres increased significantly by 57% and the first phase of Nanjing Xiba Port had commenced operation, driving the increase in both revenue and net profit of the logistic business. Meanwhile, toll revenue recorded a significant increase over the same period of the previous year mainly owing to the successive openings and operations of a number of new toll road projects in recent years.

For the logistic park business, a core business of the Group, its revenue and profit attributable to shareholders amounted to HK\$302 million and HK\$66.31 million respectively, up 40% and 36% respectively over 2009. The logistic park business recorded rapid growth in revenue and business volume, mainly attributable to an increase of 57% in the operating scale of the Group’s logistic centres to 530,000 square metres as a result of the successive completions and openings of a number of new logistic centres. Through active efforts in marketing, all new logistic centres achieved occupancy rates of over 90% in a relatively short period of time.

As regards the port business, the Phase 1 construction of two general bulk cargo berths for 50,000-ton vessels and the southern depot with a site area of 200,000 square metres at Nanjing Xiba Port were completed and put into trial operation. It achieved a break-even after the eight-month period from the commencement of operation in April to December 2010 with a throughput of 2.04 million tonnes, recording a revenue of HK\$29.76 million.

During the Year, the logistic service business recorded satisfactory growth as a result of closely working with existing customers in their business restructuring and an expansion of its scope of service; an improvement in gross profit margin following the withdrawal from projects with lower profitability; and effective cost management. Revenue and profit attributable to shareholders from the logistic service business amounted to HK\$164 million and HK\$10.74 million respectively, representing increases of 17% and 60% over the same period in 2009 respectively.

For the Group's toll road business, toll revenue and profit before finance costs and tax during the Year amounted to HK\$3,707 million and HK\$2,072 million respectively, up 47% and 35% respectively over the same period in 2009. Profit attributable to shareholders amounted to HK\$786 million, an increase of 28% over the same period in 2009. Other than the profit contributions from the new toll road projects, the rebound in domestic economic activities and a further increase in ownership of private cars and small cars also pushed forward the development of the expressway industry, thereby increasing the total toll road revenue.

The Group has completed the capital injection to Shenzhen Airlines on 19 April 2010. Shenzhen Airlines then became an associate in which the Group holds 25% equity interests. The investment contributed a profit of HK\$143 million to the Group within eight months after the capital injection. After fair-value revaluation on the Group's original holding of 10% equity interests in Shenzhen Airlines, profit after tax amounted to approximately HK\$22.36 million.

The Group disposed of a total of approximately 28.7 million A shares of CSG during the Year based on a calculation adjusted for the conversion of capital reserve to share capital by CSG at an average selling price of approximately RMB14.27 (HK\$16.41) per share (or 16.90 million shares at approximately RMB24.26 (HK\$27.90) per share before adjustment), thus realising a non-recurring gain after tax of approximately HK\$334 million.

Looking forward, Mr. Guo said, "The Group will continue to step up the investment in and development of the logistic business, accelerating research and modifying business models to facilitate the integration and optimisation of resources, with a view to enabling the logistic operations to maintain a rapid increase in profits. The toll road business of the Group possesses stable income and earnings with adequate cash flow. Following the continuous development and maturity of investment projects in recent years, it is expected that the toll road business will enjoy steady growth in the coming years. Moreover, the Group will continue to strengthen its communication with different sectors in order to make our initiatives more positive and reasonable. As such, we will be able to access various resources required for the development of the Group in an opportune manner."

Shenzhen International Holdings Limited

Shenzhen International and its subsidiaries are principally engaged in the investment, construction and operation of logistic infrastructure facilities, as well as providing various value-added logistic services to customers leveraging its infrastructure facilities. Shenzhen Investment Holdings Company Limited, the controlling shareholder of Shenzhen International, is a corporation wholly-owned by the Shenzhen State-owned Assets Supervision and Administration Bureau.

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Encl.: Consolidated Income Statement (Audited)

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Shenzhen International Holdings Limited
2010 Annual Results
(Prepared in accordance with Hong Kong Accounting Standards)

Consolidated Income Statement (Audited)

	For the twelve months ended 31 December		
	2010 <i>HK\$'000</i>	2009 <i>HK\$'000</i>	Change %
Revenue	5,111,806	4,080,949	25
Cost of sales	(2,993,949)	(2,635,576)	14
Gross profit	2,117,857	1,445,373	47
Other gains - net	489,849	391,840	25
Other income	82,961	86,059	(4)
Distribution costs	(27,366)	(23,052)	19
Administrative expenses	(244,266)	(201,637)	21
Other operating expenses	-	(10,774)	N/A
Operating profit	2,419,035	1,687,809	43
Share of profit of jointly controlled entities	7,685	204,763	(96)
Share of profit of associates	350,161	92,506	279
Profit before finance costs and tax	2,776,881	1,985,078	40
Finance income	21,858	27,952	(22)
Finance costs	(653,398)	(569,047)	15
Finance costs - net	(631,540)	(541,095)	17
Profit before income tax	2,145,341	1,443,983	49
Income tax expense	(453,068)	(266,885)	70
Profit for the Year	1,692,273	1,177,098	44
Attributable to:			
Equity holders of the Company	1,279,839	865,859	48
Non-controlling interests	412,434	311,239	33
	1,692,273	1,177,098	44
Earnings per share for the profit attributable to equity holders of the Company during the Year			
- Basic	HK9.03 cents	HK6.17 cents	46
- Diluted	HK8.66 cents	HK6.03 cents	44
Dividends			
Proposed final dividend of HKD0.0215 (2009: HKD0.0146) per ordinary share	352,002	206,472	70
Proposed special dividend of HKD0.0085 (2009: HKD0.0071) per ordinary share	139,163	100,408	39