



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

(Incorporated in Bermuda with limited liability)

(Stock Code: 00152)

**Shenzhen International Announces 2018 Interim Results**  
***Stable Growth in Core Business***  
***Satisfactory Operating Performance in Logistics Business***

**Financial Highlights:**

- Revenue of core business amounted to HK\$4,945 million, increased by 18% over the corresponding period of 2017.
- Profit before finance costs and tax increased y-o-y by 12% to HK\$2,659 million.
- Operating profit increased y-o-y by 19% to HK\$1,973 million.

(Hong Kong, 22 August 2018) **Shenzhen International Holdings Limited** (“Shenzhen International” or the “Company”, HKEx: 00152) announced the operating results of the Company and its subsidiaries (collectively the “Group”) for the six months ended June 30, 2018 (the “reporting Period”).

In 1H2018, the Group seized opportunities arising from national strategies including “One Belt One Road” and “Guangdong-Hong Kong-Macau Greater Bay Area”, as well as rapid development of the E-commerce and logistics industry, overcame the negative affect from China-United States Trade War, RMB exchange rate depreciation and increase in fuel cost. The Group improved operational management and risk management, continued to drive the mergers and acquisitions and achieved satisfactory operating performance while improving risk management ability. Revenue of core business and earnings before interest and tax increased y-o-y by 18% and 12% to HK\$4,945 million and HK\$2,659 million respectively. The Group was listed in the Hang Seng China-Affiliated Corporations Index in 2016, Hang Seng Stock Connect Big Bay Area Composite Index and MSCI China Index in May 2018, further enhancing the Group’s market influence. The Group was awarded as “Shenzhen Top 100 Enterprises” last year and “Guangdong First Class Enterprises” as well as “Guangdong Outstanding Enterprises” in 2018. The Group was also included in the list of “Double-Hundred Action” (“双百行动”) enterprises by the State Council and SASAC (State-owned Assets Supervision and Administration Commission of the State Council), being the only listed company among the included Shenzhen State-owned enterprises (“SOE”).

The Group’s logistics business reported satisfactory operating results during the reporting

Period. Logistics parks recorded stable operating performance with steady occupancy rate and improving rental income. Breakthrough was achieved in China Urban Integrated Logistics Hub's nationwide development. The Group signed three more projects in 1H2018 with 23 projects in total. 9 projects have commenced operation with satisfactory occupancy rate and contributed revenue and profit during the reporting period. Port business achieved growth in revenue with total throughput increased by 60%. Together with the new revenue and profit contribution from the Group's first asset-light project, Shenzhen International Kanghuai E-commerce Centre, profit attributable to shareholders of logistics business increased by 51% to HK\$187 million as compared to the corresponding period of the previous year.

For toll road business, most of the toll road projects recorded steady growth in traffic volume and toll revenue, plus the first full period revenue contribution from toll road acquisition projects, overall revenue and profit attributable to shareholders increased by 25% and 27% to HK\$3,627 million and HK\$645 million respectively compared to the corresponding period of the previous year.

In 1H2018, transformation and upgrading of logistic parks as well as construction work of Qianhai Project were in smooth progress. The Group signed Memorandum of Cooperation on the 35,000 sqm GFA office area to further clarify the development model of "One Belt One Road" information port, laying the foundation for project construction and operation. For Meilin Checkpoint Urban Renewal Project, the Group assigned China Vanke as entrusted construction management entity and project has commenced full construction.

Shenzhen Airlines, an associate in which the Group holds 49% equity interest, recorded continual growth in passenger volume. Revenue increased by 14% to RMB15,053 million compared with the corresponding period of the previous year. Shenzhen Airlines contributed a profit of approximately HK\$309 million to the Group during the reporting Period.

Looking ahead, **Mr. Gao Lei, Chairman of Shenzhen International Holdings Limited** said, "The Group will seize opportunities arising from national strategies including "One Belt One Road" and "Guangdong-Hong Kong-Macau Greater Bay Area", as well as the Group being included in the list of "Double-Hundred Action" ("双百行动") enterprises by the State Council and SASAC (State-owned Assets Supervision and Administration Commission of the State Council) to implement the "China Urban Integrated Logistics Hub" nationwide network development plan and accelerate the development through project constructing or merger and acquisition. In addition, according to the Group's "13th Five-Year Development Plan", the Group will promote the implementation of dual emphasis of light and heavy assets

and collaboration between “Industry, Finance, Network sectors” to further enhance the Group’s core business profitability.

The Group will accelerate the “China Urban Integrated Logistics Hub” nationwide network development plan and explore in Pearl River Delta, Yangtze River Delta and Pan-Bohai Rim regions as well as other major logistic gateway cities, actively explore quality logistics merger and acquisition projects in domestic first-tier cities and overseas as well as cooperation opportunities with major SOEs. Meanwhile, construction work of new and expansion projects is in progress which expects to increase total operating area by 350,000 sqm in 2018. The Group has established an asset-light business operating platform to drive the innovation and development in asset-light service while speeding up the collaboration between “Industry, Finance, Network sectors” to improve logistic financial service ability including micro loans and finance leases.

For toll road business, according to relevant agreement, the possibility for the Government to buy back the 4 toll roads is high. If the Government choose to buy back in 2H2018, the Group will record one-off gain on asset disposal, contributing profit attributable to shareholders of approximately HK\$2,400M. Since 2015, acquisitions of Shuiguan Expressway, Changsha Ring Road, Yichang Expressway and Coastal Expressway increased the Group’s total toll mileage by 142 km which will compensate for the toll mileage decrease from the potential buy-back. Shenzhen Expressway will continue to seek for merger and acquisition opportunities to improve the toll road business, while further developing the environmental protection business through increasing innovations, reinforcing strategic cooperation with leading industry enterprises and drive the implementing of environmental projects.

For Qianhai Project, the Group will strive to sign the remaining land consolidation and preparation compensation agreement and drive the construction work of Phase 1 project, project sales and operational value will arise in the next few years. For Meilin Checkpoint Urban Renewal Project, the Group has assigned China Vanke as the entrusted construction management entity. The Project has commenced full construction and the Group strives to achieve partial sales target in 2019. Meanwhile, the Group will actively introduce strategic partner to hold 30% shares in the project company for joint development to enhance overall return.

The Group will continue to drive the SOE reform and innovation, improve in quality and efficiency and enhance operational management while balancing between future development and current operating results; in the meantime, strive for a better performance

in the best interests of the shareholders.”

**Shenzhen International Holdings Limited**

Shenzhen International Holdings Limited is a company incorporated in Bermuda with limited liability and is a red chip company listed on the main board of the Stock Exchange of Hong Kong. The Group is the only offshore overall listing company and municipal state-owned enterprise to focuses on logistics business which is directly managed by the State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal (Indirectly holds approximately 45.1% equity through Shenzhen Investment Holdings Company Limited).

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