

[Press Release]

(For Immediate Release)

Shenzhen International Announces 2023 Interim Results

Realizing Revenue of HK\$ 6.9 Billion Demonstrating Resilience in Asset Quality

On 29 August 2023, the leading logistics infrastructure development operator in the Guangdong-Hong Kong-Macao Greater Bay Area (the “Greater Bay Area”), Shenzhen International Holdings Limited (“Shenzhen International” or the “Company”, Stock Code: 00152.HK) and its subsidiaries announced its 2023 interim results. In the first half of the year, the Company recorded revenue of HK\$6,918 million, an 8% decrease year-over-year; profit before taxes and financial costs of HK\$2,566 million, a 12% decrease year-over-year; profit attributable to shareholders of HK\$92.05 million, an 84% decrease year-over-year. Basic earnings per share were HK\$0.04.

The change in the performance of the Company during the reporting period is mainly due to the absence of the one-off gain from the capital contributions to a subsidiary, which was recognized during the same period of last year. In addition, the increase of finance costs during the reporting period arising from exchange rate volatility has also affected the profitability to some extent. Excluding the impact of exchange rate, the operating results of the core businesses were relatively stable. Meanwhile, the Company had a large amount of capital investment in the process of land acquisition and project development, thus recorded a debt-to-asset ratio of 59%, which it is still controlled at a reasonable level in the long term.

Core Business Remained Relatively Stable Performance

Revenue from the toll road business was HK\$2,920 million, an increase of 1% year-over-year and 8% on a constant currency basis. Net profit of this segment grew 11% year-over-year to HK\$1,238 million.

Revenue from the logistics business dropped by 5% year-over-year to HK\$925 million but realized 2% increase on a constant currency basis. Profit of the logistics business attributable to shareholders significantly increased by 127% year-over-year to HK\$392 million, mainly attributable to the revaluation of properties and the revenue from newly invested and operated Logistics Hubs in Yiwu, Changsha and other cities.

Revenue from the port and related service business dropped by 16% year-over-year to HK\$1,326 million, while the profit attributable to shareholders dropped by 6% year-over-year to HK\$50.45 million, remaining flat on a constant currency basis.

Revenue from the general-environmental protection business dropped by 16% year-over-year to HK\$845 million, while the net profit dropped by 89% year-over-year to HK\$21.81 million, mainly due to decrease in share of profits of associates and assets impairment.

As for the logistics park transformation and upgrading business, the Company has received approximately RMB5.1 billion payment collection as of 30 June 2023 from the pre-sale of Yicheng Qiwanli, a residential project in Qianhai, Shenzhen, which is expected to be handed over to the buyers by the end of 2023. The transformation and upgrading of the Company's logistics park in Longhua, Shenzhen has been carried out in an orderly manner.

Shenzhen Airlines Company Limited ("Shenzhen Airlines"), an associate of the Company, recorded revenue of RMB14,023 million for the first half of the year, an increase of 164% year-over-year, while its net loss dropped significantly to RMB1,420 million as compared to RMB4,594 million for the same period of last year. The Company had no longer recognized any further share of losses incurred by Shenzhen Airlines during the reporting period.

Stable and Resilient Fundamentals will Foster Growth with Advantages

Despite the challenges of a slower-than-expected recovery in market demand and intensified price competition in sub-sectors, the Company maintained strategic focus and development resilience in the first half of the year and achieved positive results in many aspects.

In respect of the toll road business, Phase II of Shenzhen Coastal Project had completed by approximately 85% at the end of the first half of this year, and Phase III of Shenzhen Outer Ring Project is planned to start construction within this year. The Company will continue the idea of "consolidation and improvement", implement refined operation management, pay close attention to the "progress bar" of major projects and constantly search for investment opportunities in high-quality toll road projects, so as to maintain the leading advantage of the core toll road business.

In respect of the logistics business, several intelligent logistics hubs under construction are proceeding with full efforts, namely, the logistics hubs in Longhua, Yantian, Pingshan in Shenzhen, and Nanhai and Shunde in Foshan. Longhua and Yantian projects are expected to be put into operation within the year, thereby adding over 390,000 square meters of new operating area, including 73,000 square meters of intelligent warehouses and 60,000 square meters of cold storage

facilities. The Company successfully completed the land delivery of its first railway logistics hub (Shenzhen Pinghunan Project) and acquired several high-quality warehousing and storage land plots in Nanjing, Foshan, Chengdu and other cities. As at 30 June 2023, the Company has operated logistics parks across the country with an area of more than 4.5 million square meters, all of which are located in first and second tier key cities and logistics gateway cities in the core economic belt, with excellent asset quality and resilience. With the intensive issuance of policies for steady growth, the domestic warehouse storage index has been in the expansion zone for six consecutive months, and the Company's logistics business performance is expected to go upward.

In respect of the port business, Phase I of Henan Shenqiu Port and Jiangxi Fengcheng Port projects have been put into operation in March and July 2023 respectively, while Jiangsu Jingjiang Port Project is expected to be put into operation by the end of the year. Based on the accumulated brand value of Nanjing Xiba Port, the Company will continuously expand the layout of its port network to build an integrated platform for investment, construction and operation of inland bulk cargo terminals, so as to enhance market competitiveness and industry influence.

The general-environmental protection business is operated by Shenzhen Expressway Corporation Limited, a listed subsidiary of the Company. The concession project of kitchen waste collection and disposal in Shaoyang, Hunan Province started trial operation in February 2023. The Shenzhen Guangming Environmental Park PPP Project is scheduled to be completed within the year. The Company will continue to take measures such as cost reduction and efficiency enhancement, internal collaboration and marketing expansion to pursue steady growth in revenue and profitability.

In the second half of 2023, the Company will adopt the strategy of "progress steadily with determination". In terms of internal control, the Company will focus on maintaining stable cash flow, continuously expanding financing channels, optimizing the loan structure, and accelerating the capital turnover through its dual closed-loop business models to maximize capital value. In terms of business development, the Company will concentrate on maintaining customers relationship, improving capabilities in customer acquisition, operation and service, and enhancing operating efficiency. At the same time, the Company will continue to move forward firmly with the strategic goals of the "14th Five-Year Plan", focus on its core business, further expand the operations in the core economic belts such as the Greater Bay Area, the Yangtze River Delta, and the Beijing-Tianjin-Hebei region, continue to increase advantages of scale and cultivate new growth drives, so as to create greater value and returns for all shareholders.

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About Shenzhen International Holdings Limited

Shenzhen International Holdings Limited, a company incorporated in Bermuda, is a red chip company listed on the main board of the Stock Exchange of Hong Kong (stock code: 00152.HK). It is the only overseas-listed group of enterprises under the direct management of a municipal government of, as well as the only state-owned industrial conglomerate in, Shenzhen that focuses on toll road, logistics, port and general-environmental protection businesses. It is a constituent of each of the Hang Seng China-Affiliated Corporations Index, the MSCI China Index, the Hang Seng Stock Connect Greater Bay Area Index and other indices.

Being committed to becoming a leading urban infrastructure developer and operator as well as a smart transportation and logistics industry builder and promoter in China, the Company has been focusing on building up a powerful state-owned developer and operator of municipal ancillaries in key strategic regions such as the Greater Bay Area, the Yangtze River Delta and the Pan-Bohai Rim in recent years, and has gradually established a business structure with four engines of growth, namely toll roads, modern logistics, ports and general-environmental protection. It also holds a 49% equity interest in Shenzhen Airlines and is acquiring a 10% equity interest in Air China Cargo Co., Ltd.

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