



Shenzhen International

深國際

Stock code 股份代号: 00152.HK



深圳国际控股有限公司

Shenzhen International Holdings Limited

2023

年度业绩

ANNUAL RESULTS



Disclaimer

- 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 year ended 31 December 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 Annual Report for the audited 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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Highlights

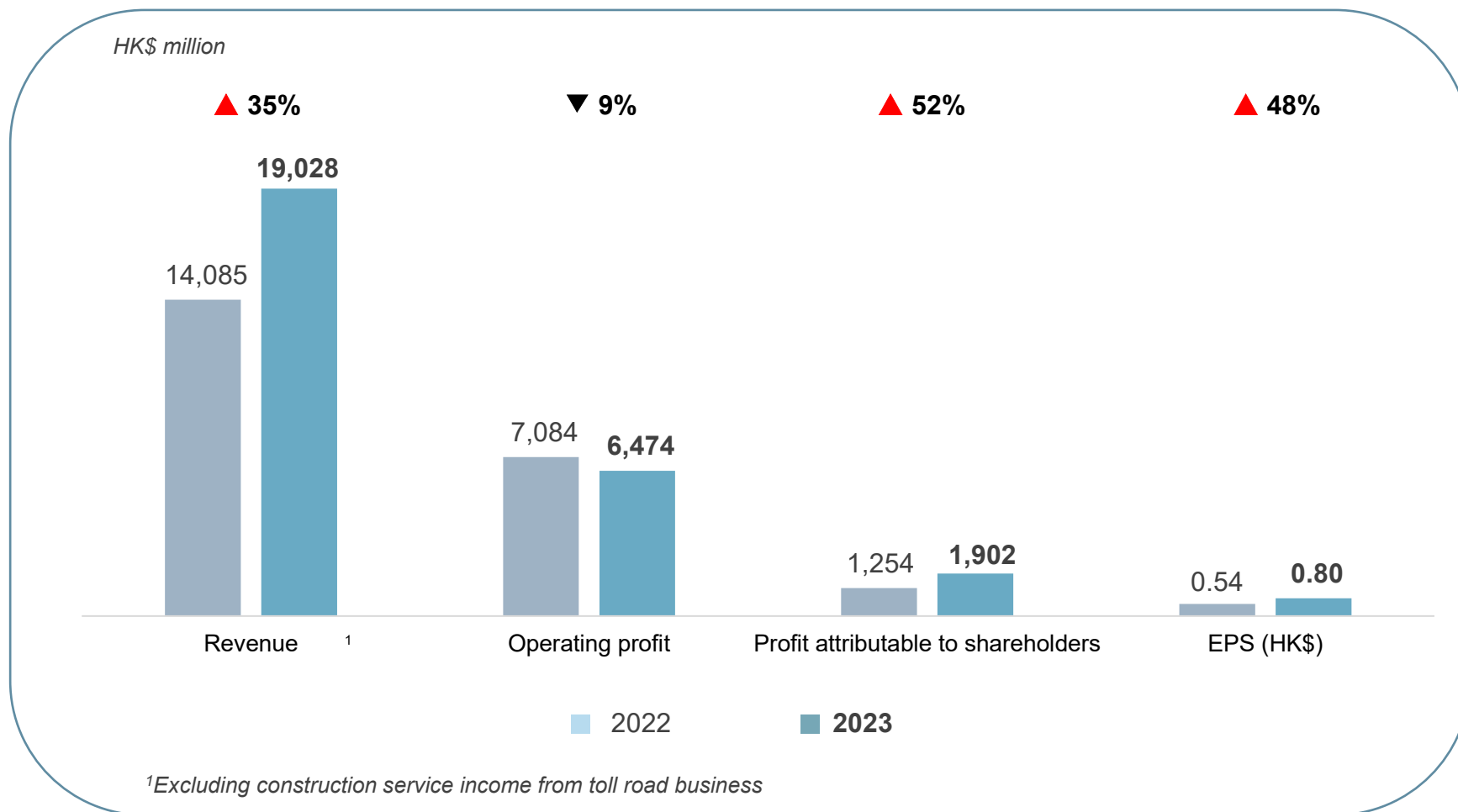
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1. Results Highlights



1. Results Highlights

Total assets

HK\$ million

133,495

▼2%

130,495

31/12/2022

31/12/2023

Total equity

HK\$ million

55,199

-

54,976

31/12/2022

31/12/2023

NAV attributable to shareholders

HK\$ million

31,248

▲1%

31,582

31/12/2022

31/12/2023

NAV per Share attributable to shareholders

HK\$

13.1

▲1%

13.2

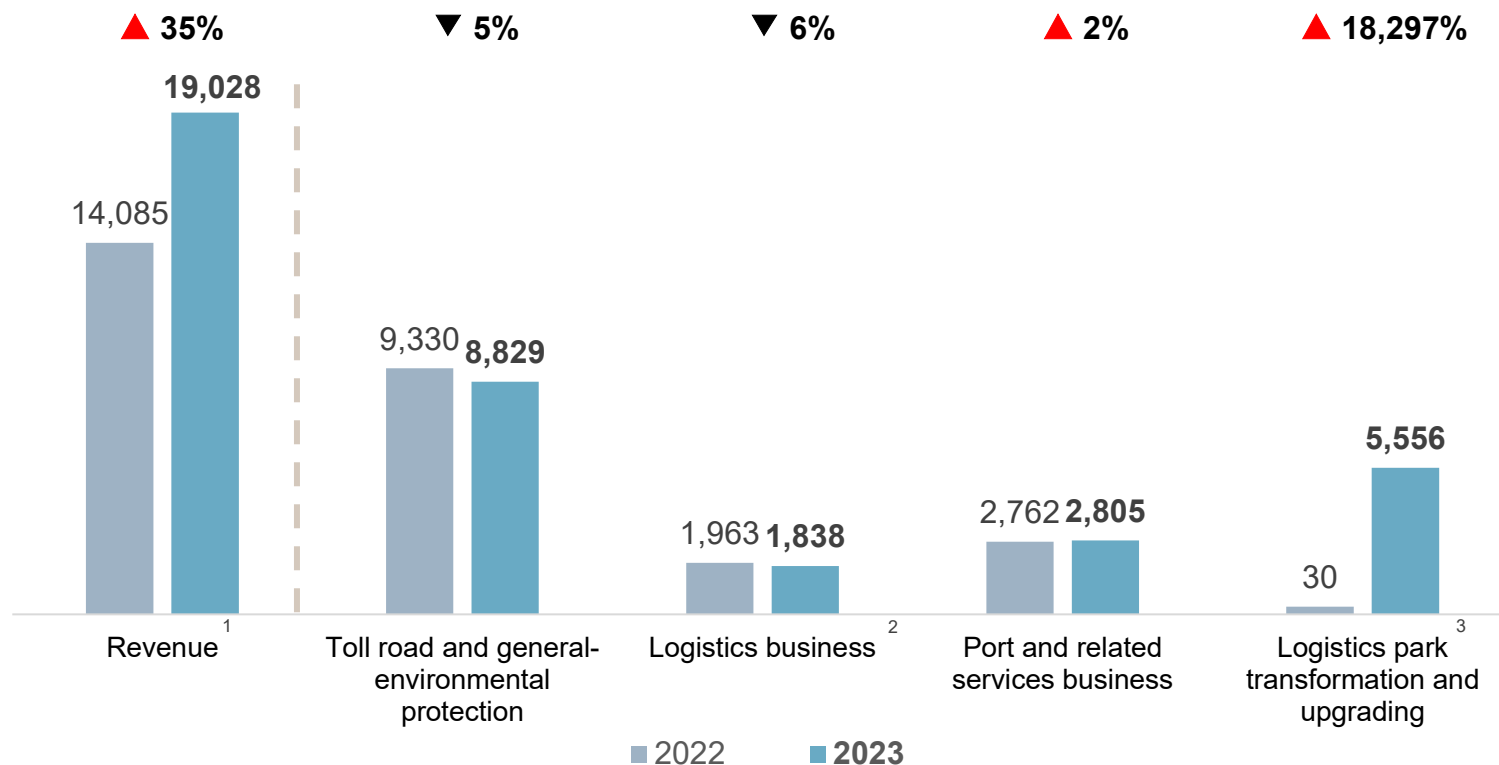
31/12/2022

31/12/2023

1. Results Highlights – Revenue by Segment

Total Revenue HK\$ 19,028 million

HK\$ million



¹Excluding construction service income from toll road business

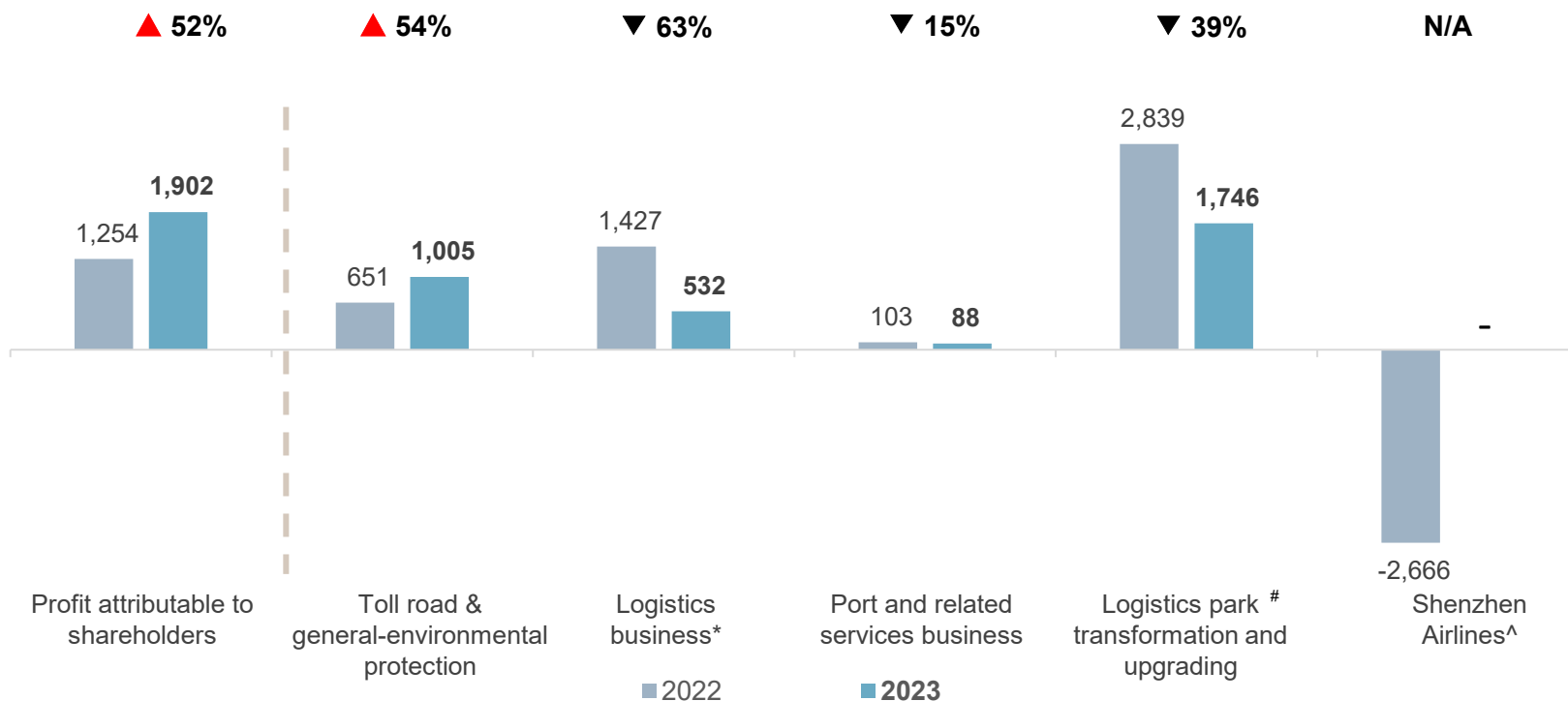
²Logistics Business = Logistics Parks + Logistics Services

³The project “Yicheng Qiwanli” was completed and delivered in December 2023, recognizing total revenue of approx. HK\$5,500 million

1. Results Highlights – Profit Attributable to Shareholders

Profit Attributable to Shareholders HK\$1,902 million

HK\$ million



* Logistics Business = Logistics Parks + Logistics Services

Due to the absence of gains generated from the injection of logistics park projects into the fund under the Group's "Investment, Construction, Financing and Operation" business model during the Year

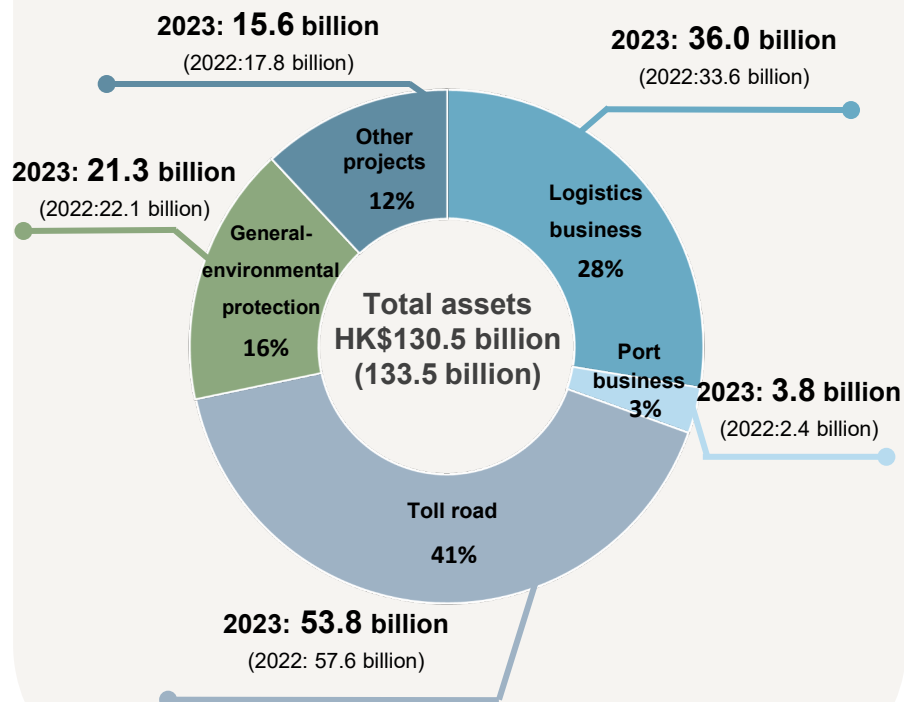
As compared to the corresponding period of the previous year because of the absence of gains recognized from share enlargement of Shenzhen International Qianhai Business Development (Shenzhen) Co., Ltd during the Year.

^ Based on the equity method, as the Group's share of accumulated losses in an associate (Shenzhen Airlines) exceeded its interest in that associate, the Group did not recognize any further losses relating to Shenzhen Airlines during the Year

1. Results Highlights – Asset Structure (Total Assets)

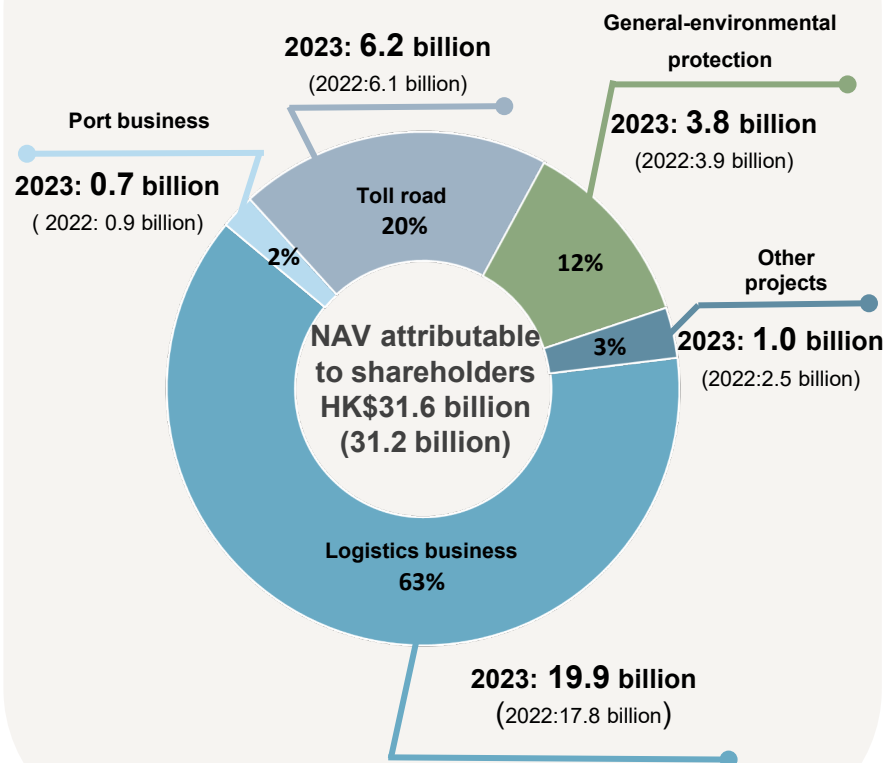
**2023 (2022)
Total Assets Contribution**

HK\$ billion



2023 (2022) NAV Attributable to Shareholders Contribution

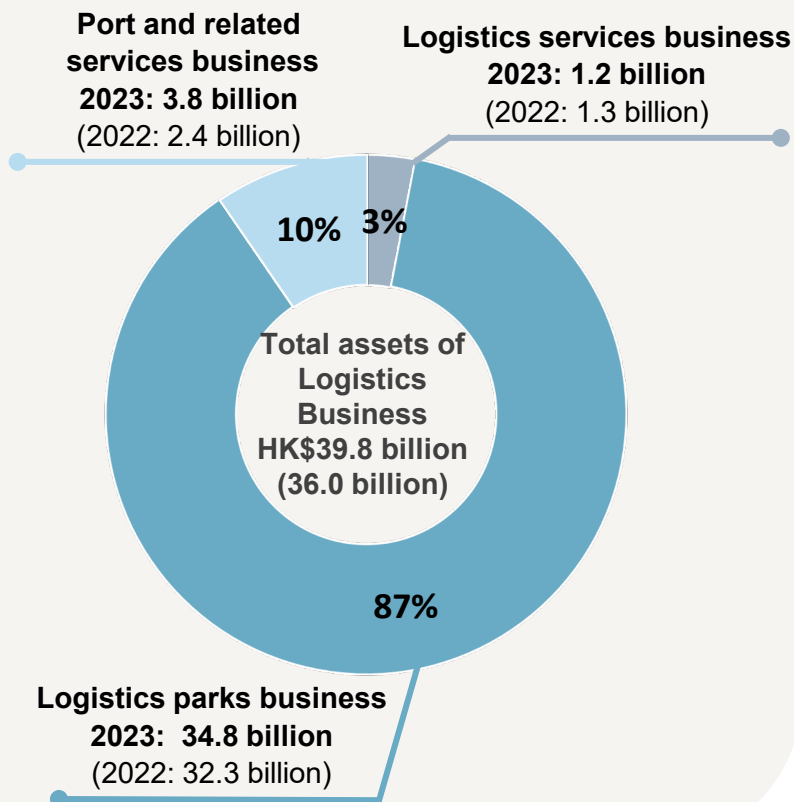
HK\$ billion



1. Results Highlights – Asset Structure (Logistics Business)

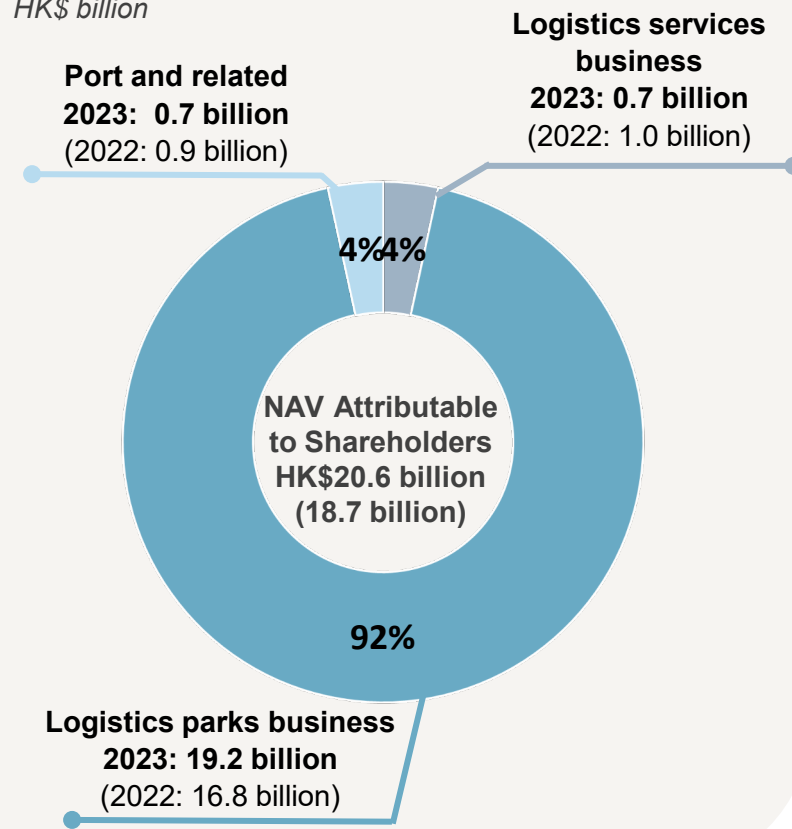
2023 (2022) Total Assets Contribution of Logistics Business

HK\$ billion



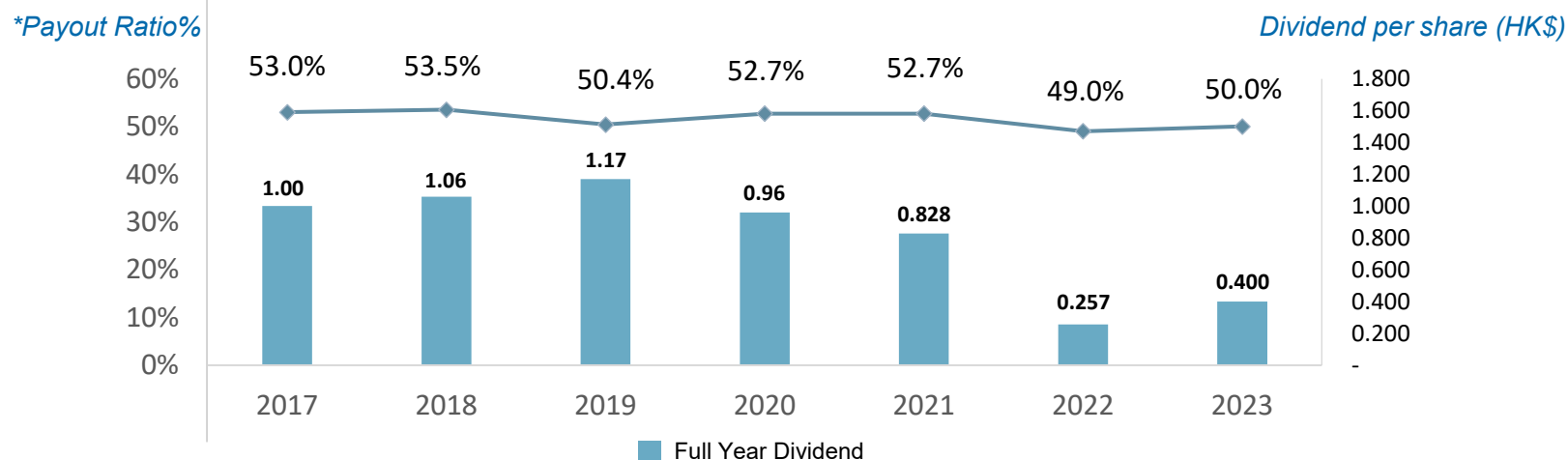
2023 (2022) NAV Attributable to Shareholders Contribution

HK\$ billion



1. Results Highlights – Dividend

2023 Dividend: HK\$0.40 per share / Dividend payout ratio: 50%



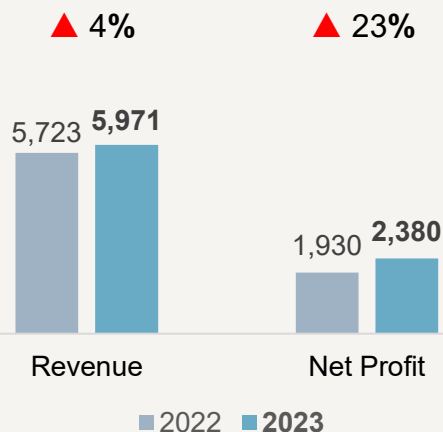
- 2023 EPS: HK\$0.80
- The Group is committed to maintaining a stable dividend policy and brings sustainable returns to our shareholders. Having considered the composition of the profit and cash flows of the Group, the final dividend of HK\$0.40 per share of the Year is proposed; ▲56% YoY (2022: final dividend of HK\$0.257), Dividend payout ratio of 50%

* Payout ratio refers to the profit distribution ratio

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

Toll Road Business

HK\$ million



Financial Performance

- During the Year, as the domestic economy and society of the PRC returning to normal, the traffic volume on toll roads continued to grow. However, the expiration of the concession period of Wuhuang Expressway in December 2022 caused a certain impact on toll revenue
- Toll revenue and net profit ▲4% and ▲23% YoY, respectively

Key Business Update

- The construction, supervision and bidding processes for several contract sections of Phase III of the Shenzhen Outer Ring Project have been completed, and construction work on certain contract sections has also commenced
- Approx. 91% of the overall construction of Phase II of Shenzhen Coastal Project had been completed. It is planned to be fully completed and opened to traffic with the Shenzhen-Zhongshan Bridge in 2024
- The public offering of the Yicheng Expressway REITs was completed on 7 March 2024, the final offering amount was 300 million units, and the offer price was RMB6.825 per unit. It is expected to be listed on the Shanghai Stock Exchange in late March 2024

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%

Invested in or Operated
16
Expressway Projects

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

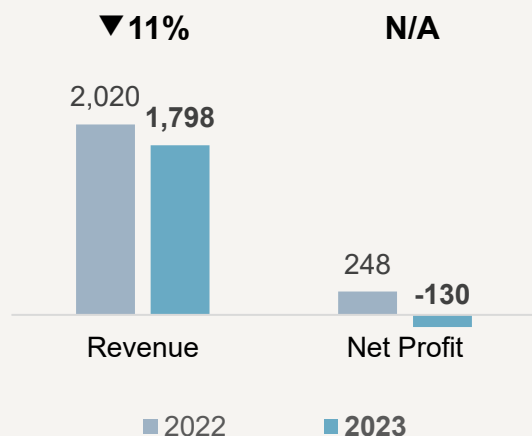
Note:

- 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
- According to the freight compensation agreement entered into by the Transport Bureau of Shenzhen Municipality, Shenzhen Expressway and Guangshen Coastal Expressway (Guangzhou to Shenzhen) project company ("Coastal Company"), during the period from 1 January 2021 to 31 December 2024, trucks traversing the Shenzhen Coastal Project were to be charged 50% of the standard toll rates. Such tolls waived by Coastal Company was compensated by the government in a lump sum payment in March of the following year.
- 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 Year, revenue from the general- environmental protection business ▼ 11% YoY and recorded a net loss of approx. HK\$130 million, mainly due to:
 - A decrease in sales of wind turbines and a decline in revenue from wind power generation caused by lower wind resource during the Year
 - The increase in depreciation and amortization expenses of the Bioland Environmental Company and asset impairment of Nanjing Wind Power Company

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.

- 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

Key Business Update

- Clean Energy**
 - As at the end of 2023, wind power generation projects invested in and operated by the Group had an accumulated installed capacity of 648 MW and were all completed and grid-connected
- Solid waste treatment**
 - The construction of the Guangming Environmental Park Project has been substantially completed in 2023 and it is expected to commence trial operation in 2024
 - Lisai Environmental has basically completed the technical renovation of its production line, after which full-capacity operation has been basically achieved
 - Bioland Environmental Company has a total of 20 organic waste treatment investment and operation projects with a designed kitchen waste treatment capacities of over 4,800 tonnes per day, amongst which 13 projects have commenced commercial operations

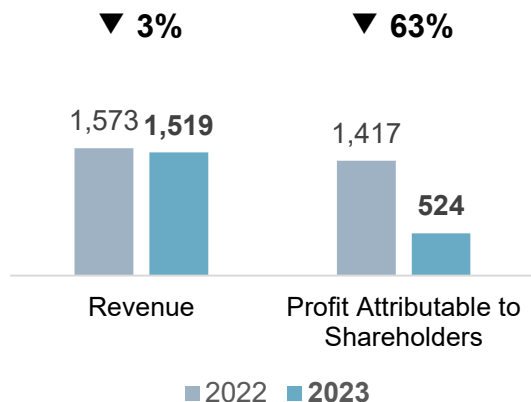
Company	Interests Held
Shenzhen Expressway Environmental Co., Ltd (“Environmental Company”) ¹	100%
Shenzhen Expressway New Energy Holdings Co., Ltd (“New Energy Company”) ²	100%
Shenzhen Expressway Infrastructure and Environmental Protection Development Co., Ltd (“Infrastructure and Environmental Protection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

- 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

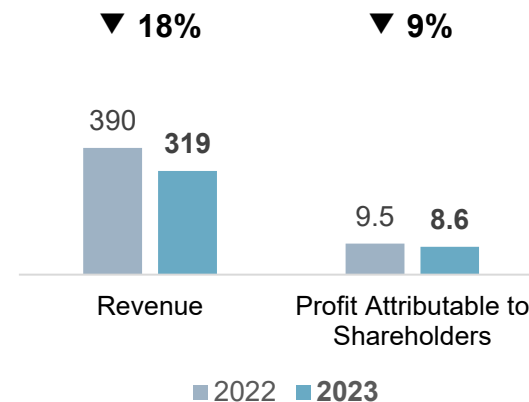
Logistics Parks Business

HK\$ million



Logistics Services Business

HK\$ million



Financial Performance

Logistics Parks

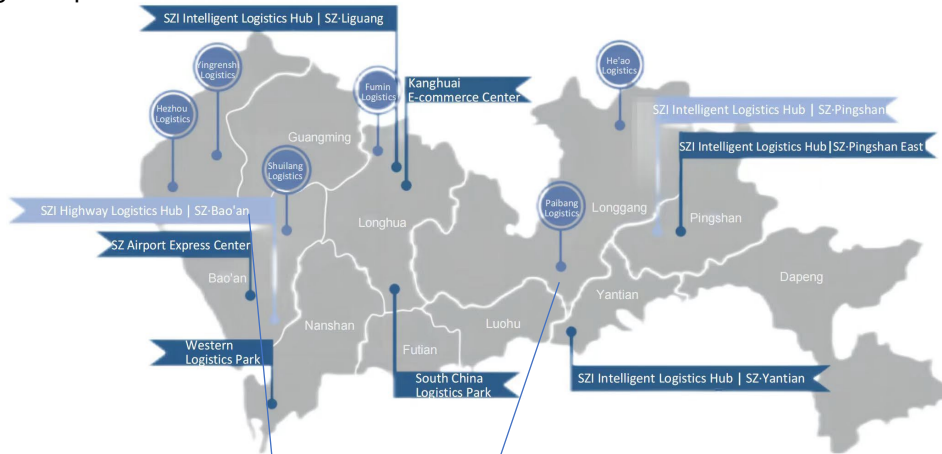
- During the Year, revenue from the logistics parks business ▼3% YoY and profit attributable to shareholders ▼63% YoY, mainly due to:
 - Factors such as prolonged weakness in market demand and fierce competition within the industry
 - The absence of gains generated from the injection of logistics park projects into the fund under the Group's "Investment, Construction, Financing and Operation" business model during the Year

Logistics Services

- Revenue from the logistics services business ▼18% YoY and profit attributable to shareholders ▼9% YoY, mainly due to the business restructuring of the Group in response to the evolving economic environment and to mitigate risks

2. Business Review – Logistics Business

As at 31 December 2023, the Group has a presence in approx. **40** key logistics gateway cities in China, managing and operating a total of **37** logistics projects, approx. **4.76 million sqm** were in operation with an overall occupancy rate of approximately 90% within mature logistics parks



Other Regions of China

- Operating **31 logistics hub projects** in 35 logistics gateway cities, with an aggregate operating area of approximately 4 million sqm were in operation. The overall occupancy rate reached 88% within mature logistics parks
- Secured the warehouse land parcels for **Chengdu Wenjiang Project**, **Taiyuan Project** and **Nanning Jingkai Project**, with a cumulative site area of approx. 294,000 sqm
- Jinhua Yiwu Project** and **stage A of the second phase of Changsha Project** and **Wuxi Jiangyin Project** were successively completed and commenced operations, contributing over 334,000 sqm of operating area
- SZI Logistics Hub (**Shijiazhuang Zhengding**) planned GFA of more than 500,000 sqm, among which the logistics park has a site area of approx. 200,000 sqm. As at 31 December 2023, the operating area of the park reached approx. 70,000 sqm, among which the pharmaceutical industrial park has a site area of approx. 40,000 sqm.

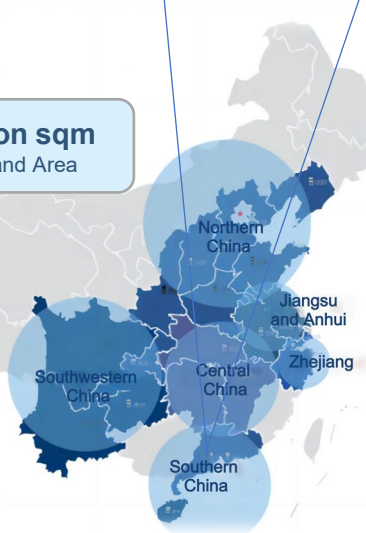
Shenzhen

- 9 logistics projects**, among which 5 projects are in operation/under management, 3 projects are under construction, 1 project is under planning
- SZI Intelligent Logistics Hub (SZ Pingshan East)** total site area of approx. 267,000 sqm and GFA of approx. 94,000 sqm. It is a project acquired by the Group in July 2023 for a total consideration of approx. RMB749 million. As at 31 December 2023, the overall occupancy rate of the park reached 100%
- SZI Intelligent Logistics Hub (SZ Liguang)**, GFA of approx. 217,000 sqm, the project has been put into operation in phases since July 2023
- In June 2023, the Group successfully secured the land use rights for the space above the overhead floor of the **Shenzhen International Integrated Logistics Hub Center (Pinghunan Project)** for the consideration of RMB1,187 million. It has commenced the construction work at the 1H2024, aiming for completion in 2025

The Greater Bay Area “GBA”

- 14 logistics projects** across the GBA, among which 6 projects are in operation/under management, 5 projects are under construction, 3 projects are under planning, approx. 790,000 sqm have been put into operation
- SZI Intelligent Logistics Hub (**Foshan Nanhai**) and SZI Intelligent Logistics Hub (**Foshan Shunde**) have a planned GFA of approx. 93,000 sqm & approx. 337,000 sqm respectively. Its overall planning emphasis on “intensification” and “intelligence”. It is expected to commence operations in 2024 and 2025, respectively. SZI Intelligent Logistics Hub (**Foshan Gaoming**), has a site area of approx. 157,000 sqm, is expected to commence operation within 2025
- SZI Intelligent Logistics Hub (**Zhaoqing Gaoyao**) has a logistics land plot of approx. 100,000 sqm. The construction is expected to commence in the second half of 2024

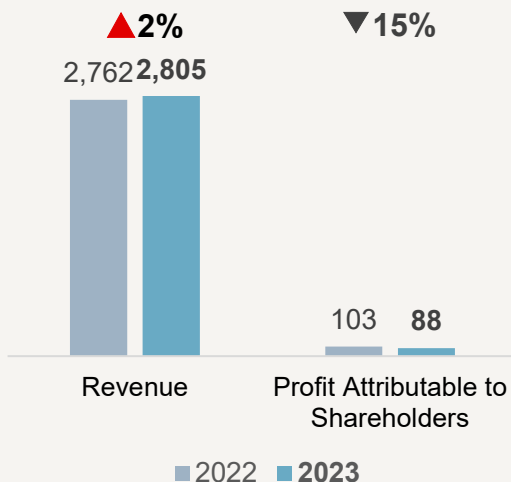
10+ million sqm
Planned Land Area



2. Business Review – Port and Related Services Business

Port and Related Services Business

HK\$ million



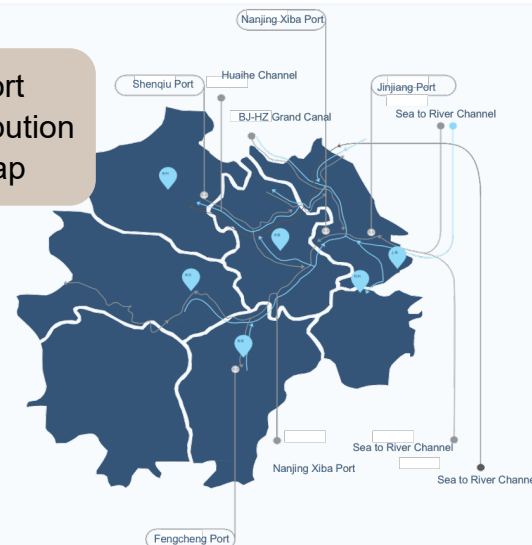
Financial Performance

- During the Year, the revenue from the port and related service business ▲2% YoY, primarily due to a steady growth in the port supply chain business
- Profit attributable to shareholders ▼15% YoY to approx. HK\$87.75 million, mainly attributable to production load reduction by end-users such as power and cement corporations to varying degrees, resulting in a weak market demand

Key Business Update

- SZI Port (Nanjing Xiba) (with 70% equity interest):** In 2023, a total of 461 seagoing vessels berthed, with a total throughput of approx. 35.78 million tonnes, of which approx. 4.27 million tonnes were transported onwards 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, expediting the establishment of the "1 + N" multi-point port network
 - SZI Port (Jiangsu Jingjiang) (with 70% equity interest):** Two main berths along the Yangtze River for vessels with a tonnage of 100,000 tonnes each and five lakeside inland berths for vessels with a tonnage of 1,000 tonnes each. It is officially commenced operation in December 2023
 - SZI Port (Henan Shenqiu) (with 52% equity interest):** It is planned to construct 26 berths for vessels with a tonnage of 1,000 tonnes each and will be built in three phases. In 2023, the Group completed a capital injection to the project, increasing its interest in the Shenqiu Port Project from 40% to 52%
 - SZI Port (Jiangxi Fengcheng) (with 20% equity interest):** It is designed to have 10 berths for bulk carriers with a tonnage of 1,000 tonnes each, among which six berths in the first phase of the project (with a designed annual throughput of 6 million tonnes), has officially commenced operation in July 2023

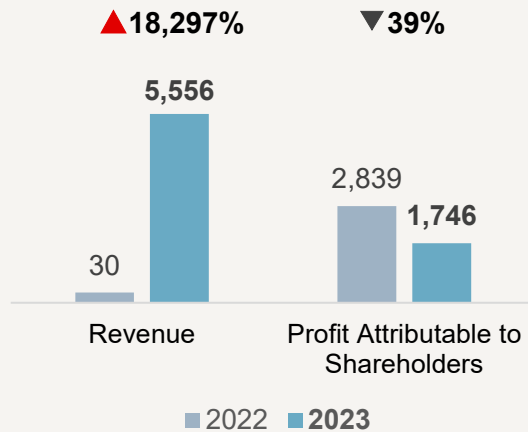
Port Distribution Map



2. Business Review – Logistics Park Transformation and Upgrading Business

Logistics Park Transformation and Upgrading Business

HK\$ million



Financial Performance

- During the Year, **revenue** from the logistics park transformation and upgrading business ▲**18,297%** YoY, primarily due to the completion and delivery of Yicheng Qiwanli Project during the Year, which contributed revenue of approx. HK\$5,500 million
- Profit attributable to shareholders was approx. HK\$1,746 million, ▼**39%** YoY, mainly due to the pre-tax gains of approx. RMB2,487 million from the capital increase of Qianhai Business in the previous year which was not repeated during the Year

Income status of Qianhai Project

Income Category	Duration	Project	GFA	Profit before tax (RMB million)
Land appreciation	2017-2020	Land consolidation and preparation	Swapped land parcels of 120,200 sqm	8,373
Sub-total of Land Appreciation				8,373
Development Income	2021	The first phase residential project - PARKVIEW BAY	51,000 sqm	724
	2022	Capital increase and share enlargement of the project company	-	2,487
	2023	The second phase residential project - Yicheng Qiwanli	51,000 sqm	2,635
Sub-total of Development Income				5,846
Operating Income	From 2H2021	Office project in the first phase of Qianhai Project - Yidu Building	35,000 sqm	Continual rental income provision on an annual basis
The third phase project (office & commercial use)	/	Currently in discussions with government departments regarding related land swap and development matters.	92,000 sqm	/

First Phase SZI South China Logistics Park Transformation Project (site area of approx. 530,000 sqm)



- The Group officially entered into the "Land Consolidation and Preparation Supervision Agreement" in October 2023 with the government units, to implement the project via a comprehensive approach which involves monetary compensation and reservation of land
- It will be transformed and developed from logistics and warehouse purposes into a piece of comprehensive land focusing on the digital economy industry and supporting high-end commercial and residential functions
- By reclaiming the reserved land in phases, the Group aims to gradually develop and operate the park according to the new planned functions for revenue recognition

Second Phase Project "SZI South China Digital Valley" (GFA of approx. 200,000 sqm)



- The first stage was put into operation in December 2021, with an occupancy rate of approx. 70% as at 31 December 2023
- The second stage is scheduled to be put into operation in the 1H2024

2. Business Review – Other Investments

Shenzhen Airlines

In 2023, the global civil aviation market witnessed a rebound in traffic demand. In particular, passenger traffic demand in the PRC civil aviation market rebounded significantly and the overall recovery momentum remained stable



During the year, Shenzhen Airlines carried 33.22 million **passenger trips** and recorded **passenger traffic** of 51,939 million passenger-km, representing an increase of 127% and 132% YoY, respectively



As at 31 December 2023, the fleet size was **226 aircraft** (2022: 226). Currently, Shenzhen Airlines operates 318 domestic and international routes, including 297 domestic routes and 21 international routes



- However, Shenzhen Airlines also faced multiple operational pressures, including uncertainties in the capacity of its fleet and the supply of aircraft materials, persistently high aviation fuel costs, rising airport fees as well as fluctuations in exchange rates and interest rates. In addition, changes in the willingness and mode of passenger travels resulted in shifting market dynamics and intensified competition
- During the year, Shenzhen Airlines recorded a net loss of RMB1,735 million (equivalent to HK\$1,928 million) (2022: net loss of RMB11,129 million (equivalent to HK\$12,793 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 year (2022: loss of HK\$2,666 million)

3. Financial Position - Overview

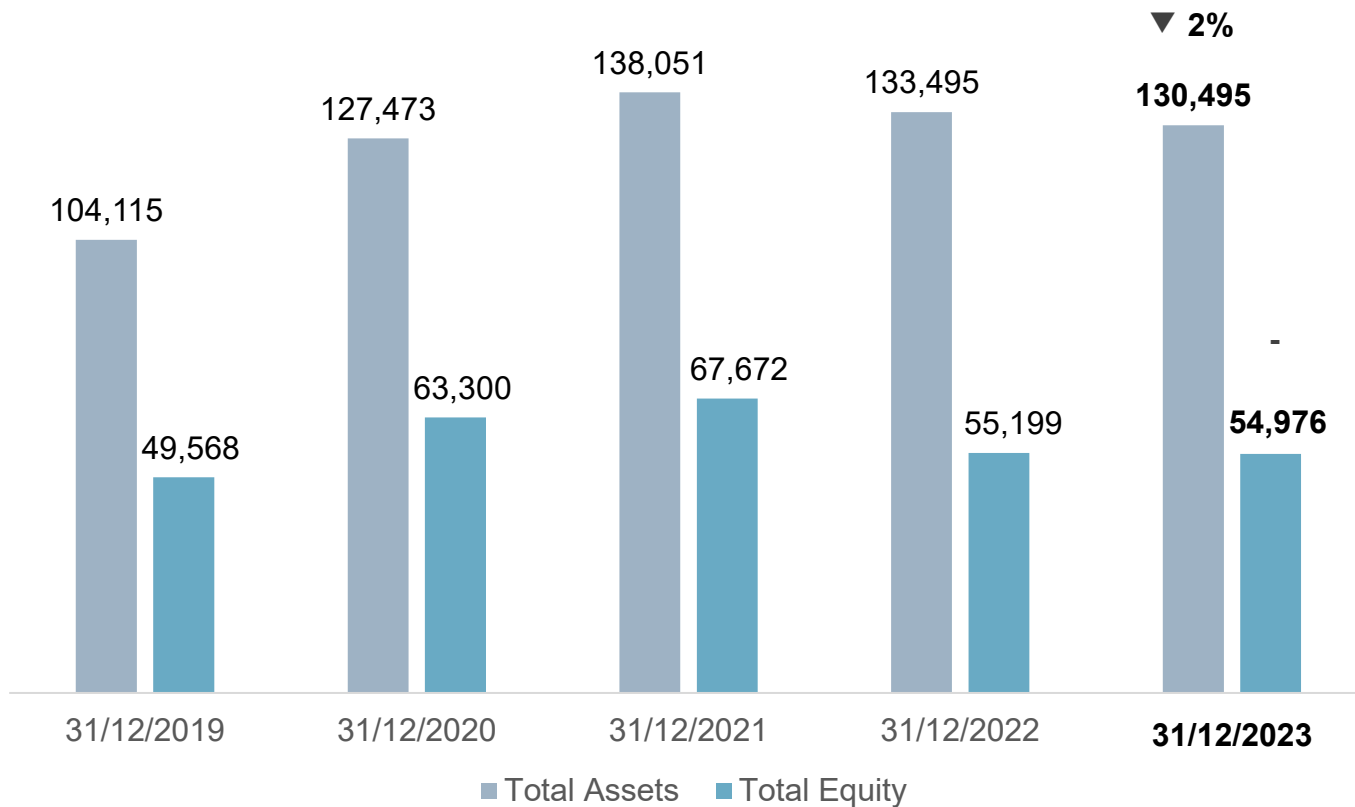
	(HK\$ million)	31/12/2023	31/12/2022	Increase/(Decrease)
Total Assets		130,495	133,495	(2%)
Total Equity		54,976	55,199	-
NAV Attributable to Shareholders		31,582	31,248	1%
NAV per Share Attributable to Shareholders (HK dollar)		13.2	13.1	1%
Cash		9,805	14,025	(30%)
Bank Borrowings		33,082	34,861	(5%)
Other Borrowings		117	314	(63%)
Notes and Bonds		22,140	18,592	19%
Total Borrowings		55,339	53,767	3%
Net Borrowings		45,534	39,742	15%
Debt-asset Ratio (Total Liabilities / Total Assets)		58%	59%	(1)#
Ratio of Total Borrowings to Total Assets		42%	40%	2#
Ratio of Net Borrowings to Total Equity		83%	72%	11#
Ratio of Total Borrowings to Total Equity		101%	97%	4#

Change in percentage points

3. Financial Position - Total Assets & Total Equity

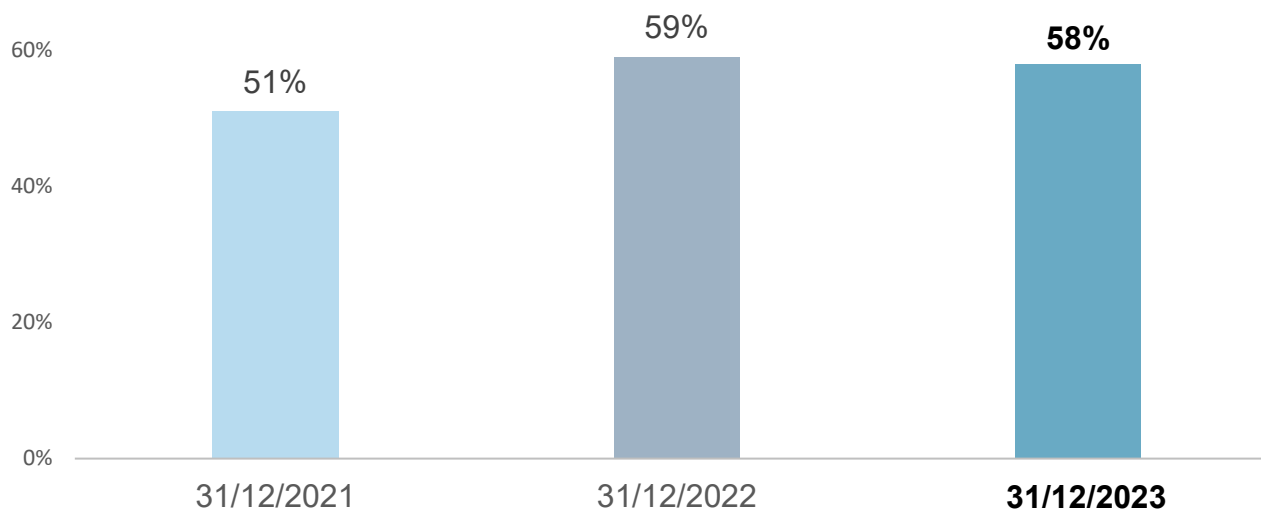
Total Assets & Total Equity

HK\$ million



3. Financial Position - Debt-to-Asset Ratio

Debt-to-Asset Ratio 58%

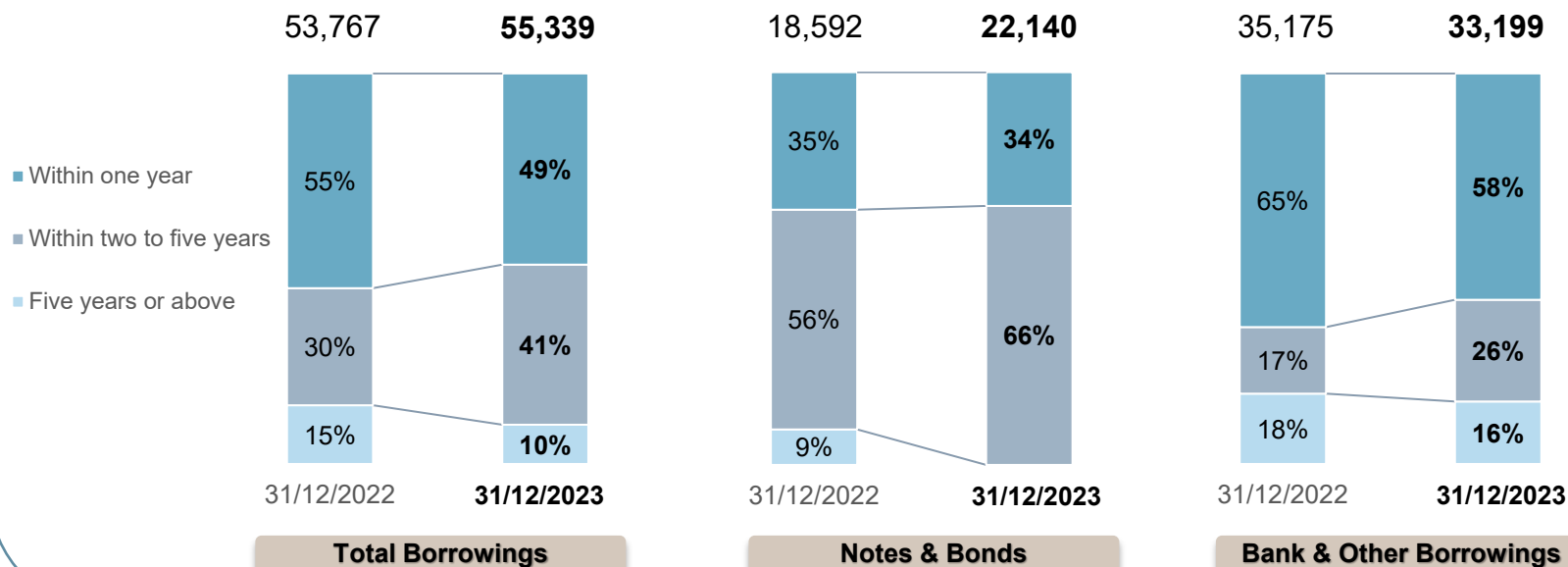


- The financial structure remains solid. The debt-to-asset ratio declined by 1 percentage point compared to the end of last year
- Three leading international credit rating agencies, namely Moody's, Standard & Poor's and Fitch Ratings, maintained their investment-grade credit ratings of the Company of Baa2, BBB and BBB+, respectively
- Remained "AAA" credit rating from domestic credit rating agencies

3. Financial Position - Maturity Structure of Debt

Maturity Structure of Debt

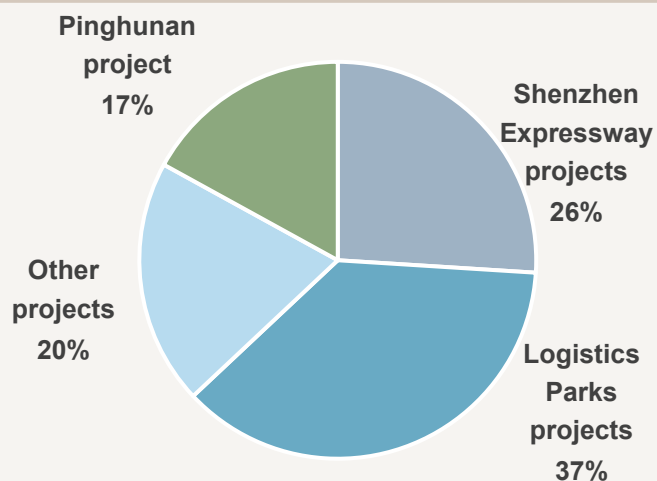
HK\$ million



- To minimize the impact of exchange rate, the Group has actively implemented various measures and achieved positive outcome. The Group recorded a net foreign exchange loss of HK\$550 million during the Year. (2022: exchange loss of HK\$1,160 million) The Group will continue to closely monitor the trends of exchange rate changes and persistently pursued the optimization of its domestic and foreign currency structure
- As at 31 December 2023, the ratio between the Group's borrowings in RMB and other currencies was 73%:27% (excluding Shenzhen Expressway: 100% in RMB Borrowings)
 - Outstanding Borrowings: RMB36.8 billion, HK\$12.5 billion, US\$300 million (excluding Shenzhen Expressway: RMB18.5 billion)
 - The ratio between medium/long term and short-term borrowings to the Group's total borrowings was 51%:49% (excluding Shenzhen Expressway: 48%:52%)

3. Financial Position - Capital Expenditures

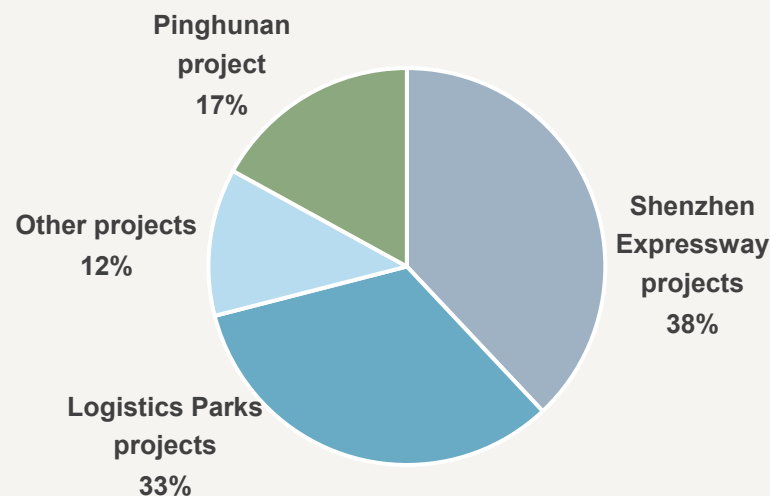
2023 Actual HK\$8.5 billion (RMB7.8 billion)



2023 Capital Expenditures in Major Projects:

- Logistics parks projects: approx. RMB2.9 billion
- Shenzhen Expressway projects: approx. RMB2.0 billion
- Pinghunan project: approx. RMB1.3 billion

2024 Forecast HK\$10.4 billion (RMB9.4 billion)



2024 Capital Expenditures Forecast in Major Projects:

- Logistics parks projects: approx. RMB3.1 billion
- Shenzhen Expressway projects: approx. RMB3.6 billion
- Pinghunan project: approx. RMB1.7 billion



Stabilizing and Strengthening the Quality of Core Logistics Business Expansion

- Regarding the **logistics park business**, the Group will scientifically and dynamically adjust investment strategies based on internal and external circumstances, taking into account the Group's gearing ratio, financing needs and other factors, in line with the **goal of operating an aggregate 8 million sqm of logistics park by the end of 2025**. The Group will prudently oversee the pace of its investments, ensuring seamless coordination throughout all phases of project execution and encompassing aspects including investment, construction, management, and transformation of projects
- The Group will uphold its **“Prioritizing Excellence” strategy** for specific projects, placing a greater emphasis on prominent core cities and quality assets, particularly core districts in first-tier and leading second-tier cities that exhibit exceptional operational efficiency and strong resilience
- The Group will actively promote the execution of its **distributed photovoltaic business** and push into more integrated asset-light and -heavy businesses, alongside value-added services, on the premise of ensuring risk management

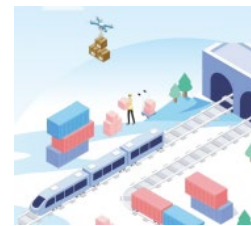
Ports

- The Group will focus on its long-term objective of **spinning off the segment**, taking into account the significance of new projects in refining its business model, enhancing synergies across the segment, arranging project investment scientifically
- Further stepping up its efforts to promote new projects at **Jingjiang Port, Fengcheng Port and Shenqiu Port** to enhance production and efficiency



Railway Integrated Logistics Hub & Air Cargo logistics businesses

- Focus on accelerating the construction of the Shenzhen International Integrated Logistics Hub Center (Pinghunan Project), with the goal of achieving full completion and commencement of operations by the end of 2025
- Actively promote the preliminary work of Shenzhen Air Cargo Terminal Project and Capital Airport Air Cargo Terminal Project



Intelligent Logistics + Cold Chain Logistics

- The Group will strategically select premium industry benchmark projects, expand its scale and seek improved growth in the development of supply chains and industrial chains, based on cold chain and smart warehousing industry development trends
- Taking into consideration of changing market demand and supply dynamics in the prevailing economic environment, the Group will nimbly adjust the pace of its investments, project requirements, and coordination and control mechanisms in cold chain logistics and intelligent logistics, continuously enhancing its operational efficiency



4. Outlook (Continued)



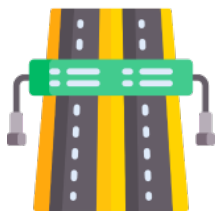
Long Closed Loop “Investment, Construction, Operation and Transformation” Business Model

- **Unlock asset value:** actively promoting the transformation of the first phase of SZI South China Logistics Park Project
- Firstly, strive to sign the first batch of land transfer contracts within 2024. Secondly, ensuring safe, smooth, and orderly progress in relocating tenants and demolishing warehouses in the logistics park. Thirdly, conducting preliminary research on the development of retained land, with the aim of commencing construction of the first retained land in 2024
- **Explore incremental growth opportunities:** aim to complete a land swap and the development of two office and commercial land parcels in Qianhai, fully promoting the implementation of the swap plan and making an incremental revenue contribution



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

- **Further accelerating asset securitization:** continue to follow up on the initial issuance of first tranche of publicly-traded REITs
- **Steadily push forward the setting up of a private equity fund** and finalizing the proposal for a new logistics warehousing and storage infrastructure fund
- **Study and optimize the Group's fund allocation,** deepen communications with potential partners, and initiate the establishment of development-focused and acquisition-focused logistics and warehouse investment funds, as well as upstream and downstream investment funds in the industry chain at an appropriate time



Consolidate and Develop its Toll Road Core Business

- Actively expand its expressway investment, construction, and management business, extend the concession period of toll road projects, enlarge its highway asset scale, by means of new construction, expansion, mergers and acquisitions, as well as resource integration, etc.
- Actively explore market-oriented projects in the upstream and downstream industry chains with a focus on intelligent upgrades and comprehensive management businesses



Strengthening Quality and Efficiency of General-Environmental Protection Business

- Maintain its focus on organic waste treatment, hazardous waste treatment, and clean power generation
- With the aim of scale advantages, the Group will enhance the treatment capabilities of its organic waste projects and the treatment scale of its hazardous waste projects
- Make additional investments in controlling stakes in wind farms and photovoltaic power plants



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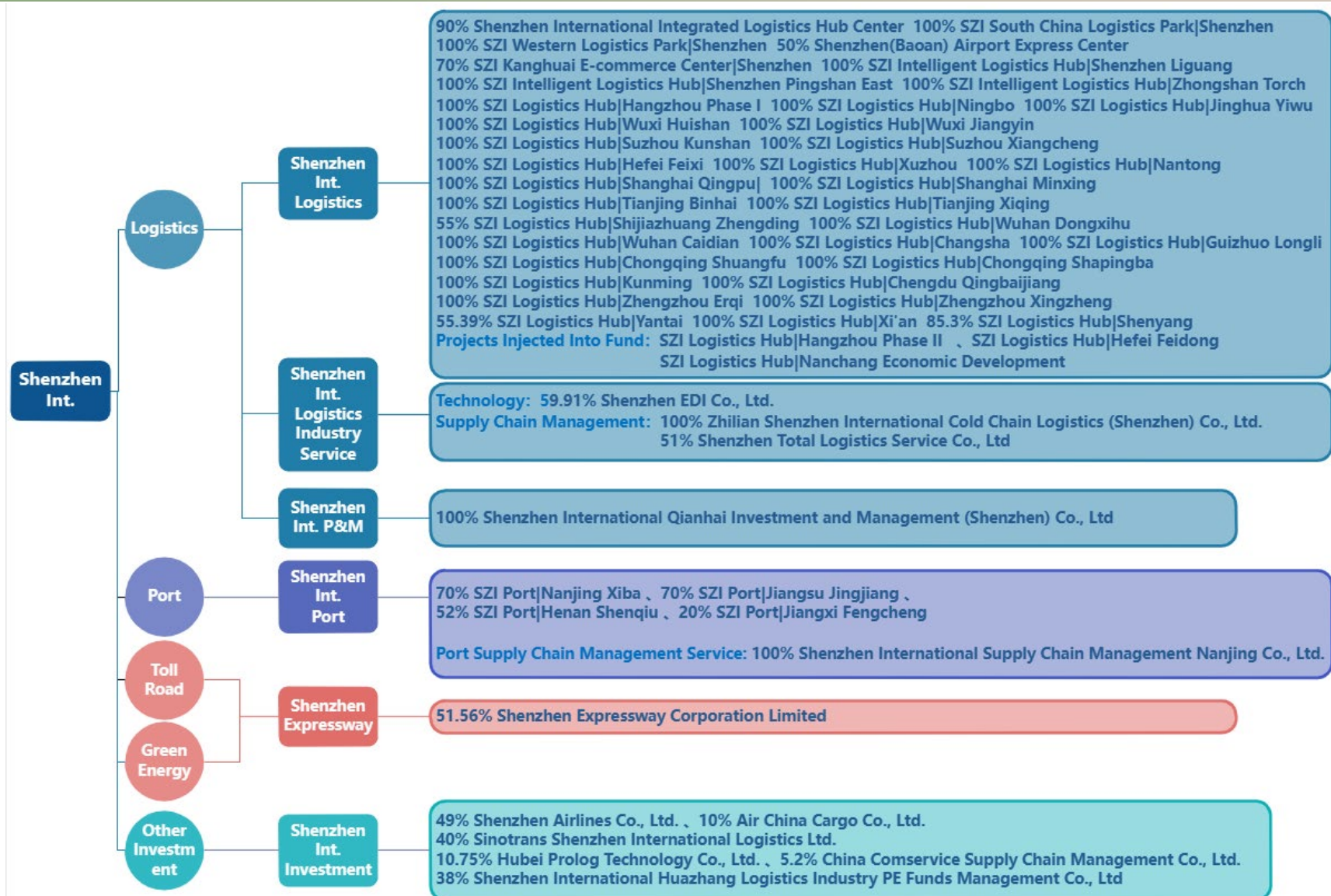


Appendix



共同创造 共享价值
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 twelve months ended 31 December</i>	2023	2022	Increase/Decrease
Revenue	20,524	15,529	32%
Cost of sales	(12,979)	(11,382)	14%
Gross profit	7,545	4,147	82%
Other income	188	154	22%
Other gains -net	166	4,055	(96%)
Distribution costs	(155)	(148)	5%
Administrative expenses	(1,270)	(1,124)	13%
Operating profit	6,474	7,084	(9%)
Share of profit of joint ventures	419	63	565%
Share of profit / (losses) of associates	678	(1,647)	-
Profit before finance costs and income tax	7,571	5,500	38%
Finance costs - net	(2,377)	(2,569)	(7%)
Profit before income tax	5,194	2,931	77%
Income tax expense	(2,289)	(995)	130%
Profit for the year	2,905	1,936	50%
Non-controlling interests	1,003	589	70%
Perpetual securities holders	-	93	-
Profit attributable to shareholders	1,902	1,254	52%
Basic earnings per share (HK dollars)	0.80	0.54	48%

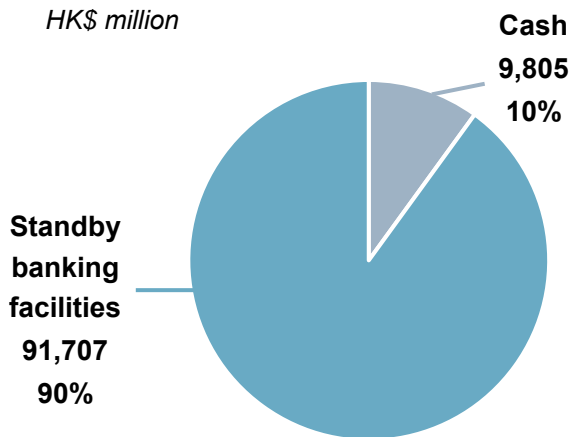
Appendix 3 – Segment Results

<i>HK\$ million</i> <i>For the twelve months ended 31 December</i>	Revenue		Operating Profit		Share of Profit of Associates & JVs		EBIT	
	2023	2022	2023	2022	2023	2022	2023	2022
Toll roads and general-environmental protection business								
Revenue	8,829	9,330	2,932	2,697	808	670	3,740	3,367
Construction service revenue	1,496	1,444	-	-	-	-	-	-
Toll roads and general-environmental protection business sub-total	10,325	10,774	2,932	2,697	808	670	3,740	3,367
Logistics parks	1,519	1,573	629	1,597	25	15	654	1,612
Logistics services	319	390	23	29	8	5	31	34
Port and related services	2,805	2,762	167	191	-	-	167	191
Logistics park transformation and upgrading services	5,556	30	3,277	2,838	61	38	3,338	2,876
Sub-total	10,199	4,755	4,096	4,655	94	58	4,190	4,713
Head office functions	-	-	(554)	(268)	195	(2,312)	(359)	(2,580)
Total	20,524	15,529	6,474	7,084	1,097	(1,584)	7,571	5,500
Finance income							241	304
Finance costs							(2,618)	(2,873)
Finance costs - net							(2,377)	(2,569)
Profit before income tax							5,194	2,931

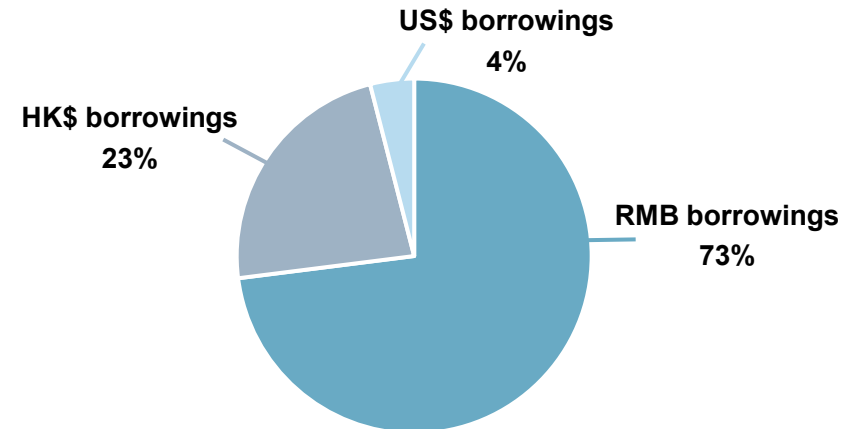
Appendix 4 – Financial Position (1)

The Group's Borrowing Profile
As at 31 December 2023

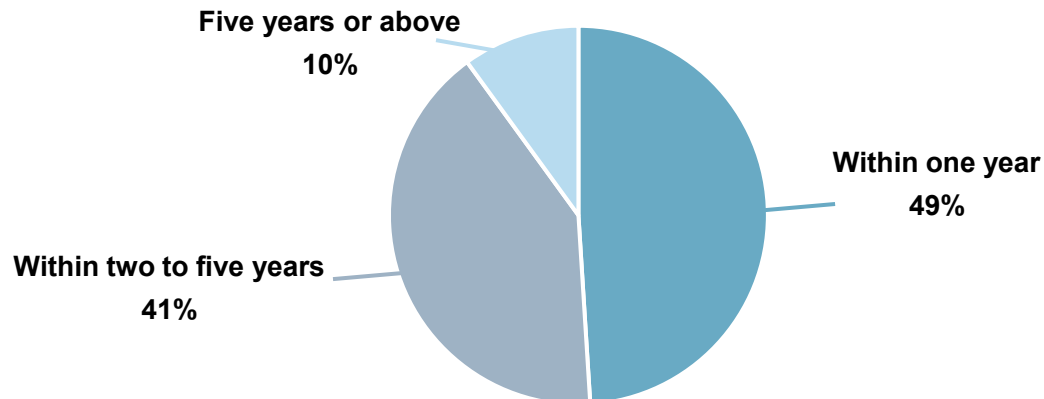
Cash & Standby Banking Facilities



Total Borrowings: HK\$55,339 million - in Currency



Total Borrowings: HK\$55,339 million - Repayment Period



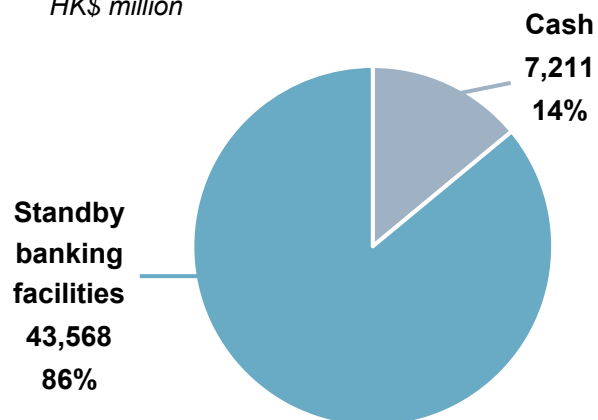
Appendix 4 - Financial Position (2)

Excluding Shenzhen Expressway

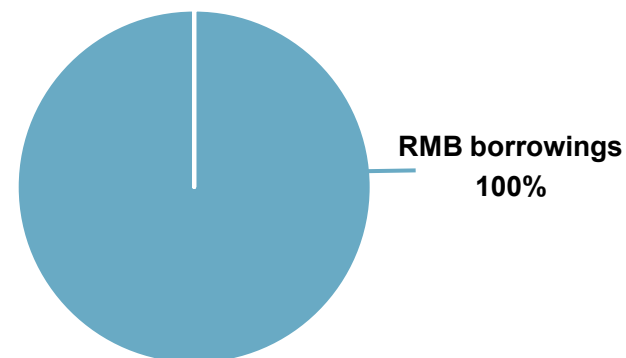
The Group's Borrowing Profile
As at 31 December 2023

Cash & Standby Banking Facilities

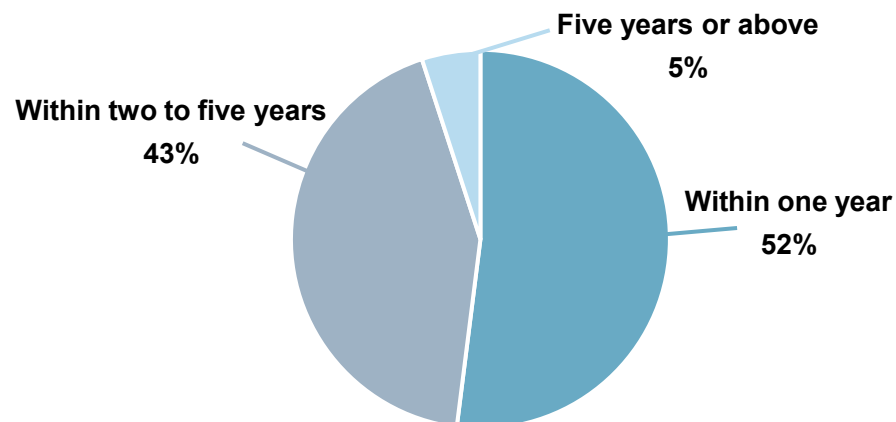
HK\$ million



Total Borrowings: HK\$20,356 million - in Currency



Total Borrowings: HK\$20,356 million - Repayment Period



Appendix 5 – Locations of Logistics Park



Overview	
□	Established foothold in approx. 40 key logistics gateway cities across the country, and managed and operated a total of 37 logistics projects in 2023
□	Total planned site area reached over 10 million sqm, and had obtained operation rights to approx. 9.08 million sqm of land
□	Total operating area of approx. 4.76 million sqm in 2023
□	Overall occupancy rate of approx. 90% for the mature logistics parks

Appendix 6 – Logistics Projects Overview

Projects in Operation

Projects in Operation			
Logistics Parks in the Greater Bay Area	Logistics Hubs	SZI Integrated Logistics Hub Center (SZ Pinghunan)	□ Planned site area: 900K sqm
		SZI Highway Freight Logistics Hub (SZ Bao'an)	□ Planned site area: 75K sqm
	Logistics Parks	SZ South China Logistics Park^	□ Planned site area: 578K sqm; Operating area: 174K sqm
		SZ Western Logistics Park	□ Operating area: 91K sqm
		SZ Kanghuai E-commerce Center▲	□ Operating area: 143K sqm
	SZI Intelligent Logistics Hubs	SZ Liguang Project	□ Planned site area: 45K sqm; Operating area: 217K sqm
		SZ Pingshan Project	□ Planned site area: 120K sqm
		SZ Pingshan East Project	□ Planned site area: 267K sqm; Operating area: 94K sqm
		SZ Yantian 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; Operating area: 113K 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 Hubs)	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: 70K 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: 227K 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

Projects in Operation			
Integrated Logistics Hub Projects in Other Regions of China (SZI Logistics Hubs)	Southwest China	Chengdu Qingbaijiang Project	□ Planned site area: 129K sqm; Operating area: 126K sqm
		Chengdu Wenjiang Project	□ Planned site area: 67K sqm
		Nanning Economic Development Project	□ Planned site area: 100K 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: 117K sqm
		Zhengzhou Xinzheng Project	□ Planned site area: 497K sqm; Operating area: 215K sqm
		Yantai Project	□ Planned site area: 69K sqm; Operating area: 29K sqm
		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:

^SZ South China Logistics Park has been transforming into a digital economic park under the overall planning of the Shenzhen Municipal Government during the Year and the demolition work is being carried out in stages

□ 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 (SZI South China Digital Valley)



SZI South China Digital Valley, the first pilot digital super headquarters base in South China. Aiming at the digital economy and the innovation-driven digital intelligence industries, it focuses on the development of four key industries: new energy, artificial intelligence, industrial internet, software and information services. With a view to creating itself as a hub for digital industry development, it will become an agglomeration area for distinctive next-generation digital businesses and their functional headquarters bases in Longhua

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



The first asset-light management project operated by the Group. Actively explores the development model of green freight distribution, and has built an “intensive, efficient, green and intelligent” urban freight distribution service system. This project is one of Shenzhen’s demonstration projects for the Green Freight Distribution City. Operating area of approx. 143K sqm, achieved an overall occupancy rate of 95% as at 31 December 2023 .

Appendix 10 - Shenzhen International Integrated Logistics Hub Center (SZ Pinghunan)



Commencing the construction work at the 1H2024 Aiming for completion in 2025

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
- The operational railway yard/freight yard covers an area of approx. 170,000 sqm. As at 31 December 2023, the occupancy rate of the leasable space at the railway yards/ freight yard reached 100%
- In June 2023, the Group successfully secured the land use rights for the space above the overhead floor of Shenzhen International Integrated Logistics Hub Center (Pinghunan Project) for the consideration of RMB1,187 million. It represents the first industrial space development built on a railway yard.



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



Site area of approx. 45K sqm; GFA of approx. 217K sqm

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

The project has been put into operation in phases since July 2023

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



Site area of approx. 120K sqm, and planned GFA of approx. 286K sqm
In April 2022, the Group completed the acquisition of 70% equity interest for this project
Commenced construction in May 2023, and it is scheduled to be completed and put into operation by 2025

Appendix 13 - SZI Intelligent Logistics Hub | Shenzhen • Yantian (real image)



planning illustration



Site area of approx. 32K sqm, planned GFA of approx. 91K sqm

It was selected as one of Shenzhen's key projects for 2023 and awarded the honor of "Guangdong Province Green Demonstration Project"

The project was completed passed acceptance procedures at the end of 2023 and is expected to commence operation in the first half of 2024

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



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



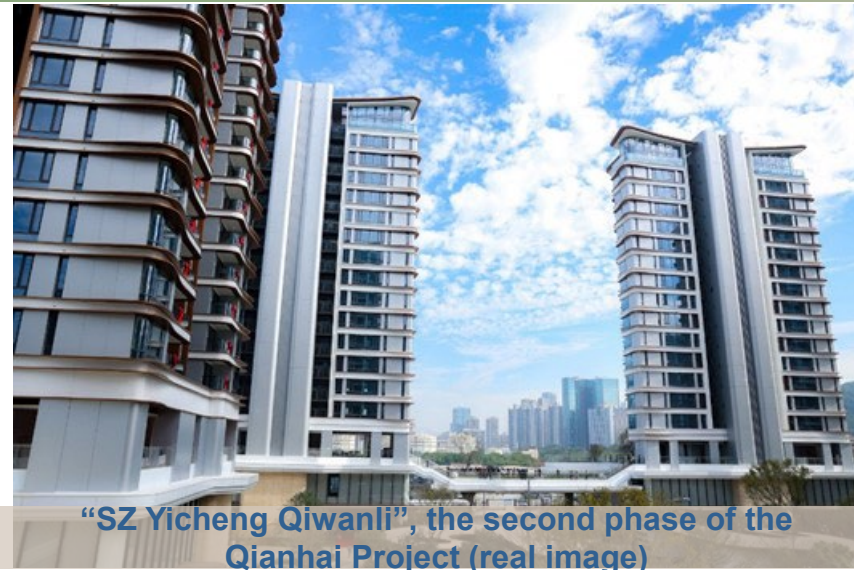
Foshan Shunde Project
Planned site area: approx. 200K sqm

**Its overall planning will focus on “intensification” and “intelligence”
Currently undergoing full-scale construction and are expected to commence operations in 2024 and 2025, respectively**

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



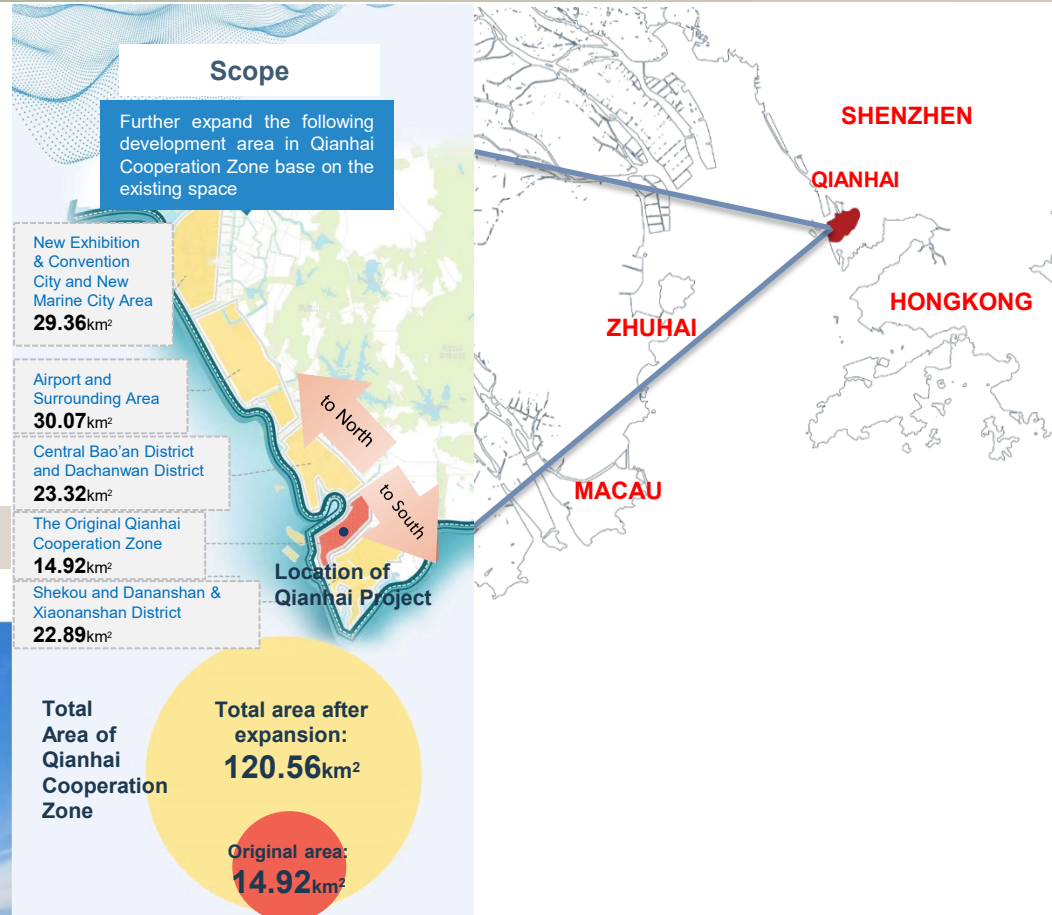
Planned site area: approx. 440K sqm;
Area in operation: approx. 559K sqm



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



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.

The project has generated approx. RMB14,219 million in development pre-tax income in six subsequent instances over the past few years



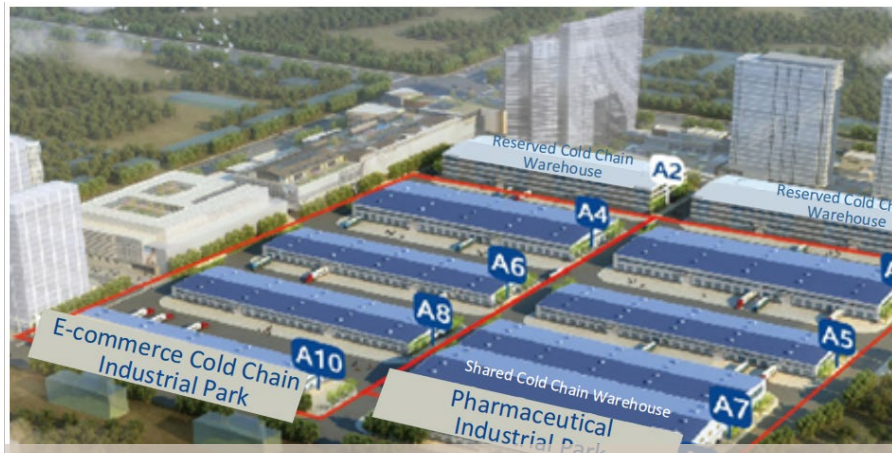




Chengdu Qingbaijiang Cold Storage Warehouse Project
(completed and put into operation)



Nanjing Jiangning Airport Cold Storage Warehouse Project
(completed and put into operation by the end of 2024)



Shijiazhuang Zhengding Cold Storage Warehouse Project
(completed and put into operation)



Shanghai Minghang Cold Storage Warehouse Project
(completed and put into operation)



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