

[For Immediate Release]

March 20, 2020



Incorporated in Bermuda with limited liability

(Stock Code: 00152)

Shenzhen International Announces 2019 Annual Results
Revenue and Profit Hit Record Highs
Dividend Per Share of HK\$1.17 Increased by 10% YoY

Financial Highlights:

- Revenue increased y-o-y by 45% to HK\$14.986 billion.
- Profit attributable to shareholders increased y-o-y by 19% to HK\$5.021 billion.
- The Board recommended a final dividend of HK\$0.53 per share and a special dividend of HK\$0.64 per share, total dividend per share increased y-o-y by 10% to HK\$1.17.

(Hong Kong, March 20 2020) **Shenzhen International Holdings Limited** ("Shenzhen International" or the "Company", HKEx: 00152) announced the operating results of the Company and its subsidiaries (the "Group") for the year (the "Year") ended December 31, 2019.

In 2019, the Group has taken active measures in response to the volatile and complicated global economy, under which the Group fully seized growth opportunities, stepped up investment and development of logistics business, proactively boosted the operating efficiency of projects in which are put into operation; meanwhile, the Group strictly controlled costs, and vigorously improved corporate governance, which have led to satisfactory performance. The Group has continued to maintain its growth momentum during the year. In 2019, the Group recorded revenue of HK\$14.986 billion, a year-on-year increase of 45% as compared to the corresponding period of the previous year, and for its core business, operating profit rose by 42% to HK\$ 5.589 billion as compared with last year. Coupled with one-off gains generated from land consolidation in Qianhai during the

year by the Group, the Group's profit attributable to shareholders in 2019 increased by 19% to HK\$5.021 billion over the same period of last year, of which profit attributable to shareholders from core businesses increased by 52% to HK\$2.874 billion. **Basic earnings per share climbed by 15% to HK\$2.34 over last year. Revenue and profit in 2019 hit historical record highs again. The Board of Directors recommended a final dividend of HK\$0.53 per share and a special dividend of HK\$0.64 per share to shareholders, totaling a dividend of HK\$1.17 per share, an increase of 10% over last year. The dividend payout ratio is 50%.** The stable and attractive dividend payout ratio has brought the Group to be included in the Hang Seng High Dividend Yield Index for Mainland China Enterprises and the Hang Seng Stock Connect High Dividend Yield Index in 2019, which fully demonstrates the core value of the Group and the Group value commitments and returns to shareholders.

In 2019, the Group implemented firmly the 13th Five-Year Strategic Plan, meanwhile achieved new and remarkable improvements in the “Double Hundred Actions” (雙百行動). As of the end of 2019, the Group's debt to asset ratio is 48%, which continues to maintain at a low level; the return on equity is 16.6%, which is at leading level among the industry; the gross margin rate is 44.7%, which has increased for two consecutive years; the cost and expense ratio during the period is 11.7%, which has decreased for two consecutive years. Meanwhile, the Group has been rated as “Outstanding Enterprise of Guangdong Province for 2018” and “Key Logistics Enterprise of Shenzhen in 2019”. At the same time, the Group further enhanced its influence in the capital market. After being successfully included in indexes such as the MSCI China Index in 2018.

The Group recorded a satisfactory growth of its core logistics business in 2019 with revenue and profit attributable to shareholders increasing significantly by 1.8 times to HK\$7.845 billion and approximately 4.5 times to HK\$1.622 billion respectively over the same period of last year. During the year, the Group focused on the investment and construction of logistics infrastructure in major cities across the country, expanded the network and scale of operation, and maintained the long-term sustainable development. As of 2019, the Group invested in a total of 33 projects with a planned site area of 7.28 million square meters. The Group has established footholds in a total of 27 key logistics gateway cities across the country and the overall occupancy rate was satisfactory with the increase in rental unit price, and the revenue and profit of logistics park business continued to maintain a good growth momentum. In terms of port business, the Group continued to optimize the customer mix and streamlined its capacity planning, and maintained stable workload of port loading and unloading volumes to make the port and related services business to achieve a remarkable growth in revenue and profit. In addition, due to the

satisfactory sales of the first phase of Meilin Check Point Project (the Group's logistics park transformation and upgrading project in Shenzhen) which finished the completion and acceptance in the fourth quarter of 2019, the project contributed revenue and profit attributable to shareholders (HK\$4.569 billion and HK\$ 1.314 billion, respectively) to the Group.

In 2019, the Group promoted its major toll road projects in orderly manner, and achieved good results in investment, mergers and acquisitions for the Macro Environmental Protection Industry. The Group attained breakthrough in terms of the provision of management service by winning a comprehensive management and maintenance project for four expressways from the Shenzhen Transportation Bureau. In terms of investment and mergers and acquisitions in the macro environmental protection industry, the Group realized a preliminary layout in the wind power business segment. At the same time, the Group won the bid for the Shenzhen Guangming Environmental Park PPP project and the first kitchen waste treatment project within Shenzhen.

The logistics park transformation and upgrading project recorded a satisfactory return in 2019, which can strongly support the performance of coming years. The Group achieved a major breakthrough in the land consolidation of Qianhai Project during the year, and partially recognized the land consolidation one-off gain of Qianhai project, which generated pre-tax gain of approximately HK\$2.457 billion and profit attributable to shareholders of approximately HK\$1.843 billion to the Group.

In 2019, Shenzhen Airlines, an associated company in which the Group holds a 49% equity interest, maintained growth in passenger transport volume, therefore its revenue increased by 3% to approximately RMB31.955 billion (equivalent to HK\$35.900 billion), contributing profit of approximately HK\$593 million for the Group, representing a year-on-year increase of 26%, and it is expected to generate cash dividends of RMB123 million to the Group.

Looking forward, **Mr. Li Hai Tao, Chief Executive Officer of Shenzhen International Holdings Limited**, said: "The Group will put more efforts on effective measures to reduce impacts brought by the epidemic, and strive to follow the strategic plan of the Group this year to achieve the established goals. We will speed up the construction of new projects to catch up the delayed time, and make sure new projects to be in operations on timely manner. The Group will seize fully the significant historical opportunity presented by Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen Pilot Demonstration Zone. The Group will strengthen the four business pillars -accelerate the establishment of the integrated

logistics hub network across key gateway cities husband carry out transformation and upgrading projects in Shenzhen in an organized manner, speed up the investment, acquisition and merger of quality port projects, consolidate its toll road business, and at the same time enhance the competitiveness of the macro environmental protection business.

Regarding the transformation and upgrading of logistics parks, the Group will actively seize the major opportunities for land usage adjustment for logistics parks in Shenzhen to promote the upgrading and transformation, **continue to strengthen active consultation with Qianhai Administration Bureau and relevant government departments, and promote the signing of the contract for the remaining land consolidation in Qianhai. The compensation for the remaining land consolidation will be about RMB3.652 billion, in which the Group will strive to recognize all or parts of it in 2020.**

The Group will continue to deepen the comprehensive corporate reform, continuously improve the Group's governance standards, marketization standard and innovation capability with the aim of perfecting, improving, strengthening, enlarging and turning into a topnotch industrial conglomerate. "

Shenzhen International Holdings Limited

Shenzhen International Holdings Co., Ltd. is a company mainly engaged in logistics and toll roads and incorporated in Bermuda and listed on the main board of the Hong Kong Stock Exchange, approximately 44.04% equity of which is indirectly held by the State-owned Assets Supervision and Administration Commission of Shenzhen Municipal People's Government through Shenzhen Investment Holdings Co., Ltd.

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