SHENZHEN INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 152)

2007 INTERIM RESULTS ANNOUNCEMENT

The Board of Directors (the "Board") of Shenzhen International Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated results and consolidated balance sheet of the Company, its subsidiaries and jointly controlled entities (the "Group") for the six months ended 30 June 2007 (the "Period") together with comparative figures of consolidated results for the corresponding period in 2006 and consolidated balance sheet as of the year end of 2006 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
		HK$'000	*HK$'000*
Turnover	(4)	**265,434**	187,104
Cost of sales		**(160,305)**	(132,711)
Gross profit		**105,129**	54,393
Other gains – net		**1,250,016**	21,469
Distribution costs		**(7,166)**	(7,601)
Administrative expenses		**(41,587)**	(32,838)
Other operating expenses		**(627)**	(408)
Operating profit	(5)	**1,305,765**	35,015
Share of profit of associates		**132,618**	117,816
Profit before interest and tax		**1,438,383**	152,831
Finance income		**16,145**	11,089
Finance costs		**(21,217)**	(30,378)
Fair value loss on derivative liability of convertible bonds		**(179,164)**	-
Finance costs – net	(6)	**(184,236)**	(19,289)
Profit before income tax		**1,254,147**	133,542
Income tax expense	(7)	**(218,820)**	(4,640)
Profit for the period		**1,035,327**	128,902
Attributable to:			
Equity holders of the Company		**1,033,234**	128,185
Minority interest		**2,093**	717
		1,035,327	128,902
Earnings per share for profit attributable to equity holders of the Company during the period (expressed in HK cents per share)			
– Basic	(8)	**8.00**	1.12
– Diluted	(8)	**7.30**	1.02

CONDENSED CONSOLIDATED BALANCE SHEET

	Note	As at 30 June 2007 (Unaudited) HK$'000	As at 31 December 2006 (Audited) HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**429,713**	391,877
Investment properties		**19,710**	19,710
Leasehold land and land use rights		**539,477**	151,335
Construction in progress		**60,157**	11,685
Intangible assets		**649,599**	652,608
Interests in associates		**2,368,405**	2,812,580
Available-for-sale financial assets	(10)	**180,604**	115,683
		4,247,665	4,155,478
Current assets			
Held-to-maturity financial assets		**118,666**	118,217
Available-for-sale financial assets	(10)	**346,051**	-
Financial assets at fair value through profit or loss	(11)	**1,366,591**	-
Non-current assets held for sale	(12)	**91,095**	57,267
Trade and other receivables	(13)	**187,188**	163,129
Pledged bank deposits		**1,278**	3,221
Cash and cash equivalents		**840,940**	882,277
		2,951,809	1,224,111
Total assets		**7,199,474**	5,379,589
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**2,954,729**	1,952,662
Other reserves		**413,544**	239,162
Retained earnings			
- Proposed interim / final dividend	(9)	**-**	72,525
- Others		**2,377,027**	1,348,249
		5,745,300	3,612,598
Minority interest		**319,952**	77,436
Total equity		**6,065,252**	3,690,034

CONDENSED CONSOLIDATED BALANCE SHEET (continued)

	Note	As at 30 June 2007 (Unaudited) *HK$'000*	31 December 2006 (Audited) *HK$'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**247,627**	289,278
Derivative financial instruments		**2,000**	1,758
Convertible bonds		**18,158**	322,007
Deferred income tax liabilities	(14)	**342,852**	73,755
Deferred income		**81,159**	95,628
Amount due to a minority shareholder		**19,231**	19,231
		711,027	801,657
Current liabilities			
Trade and other payables	(15)	**138,408**	135,093
Convertible note		**-**	322,917
Derivative liability of convertible bonds		**31,026**	140,160
Income tax payable		**7,978**	6,524
Borrowings		**245,783**	283,204
		423,195	887,898
Total liabilities		**1,134,222**	1,689,555
Total equity and liabilities		**7,199,474**	5,379,589
Net current assets		**2,528,614**	336,213
Total assets less current liabilities		**6,776,279**	4,491,691

Notes:

(All amounts in HK dollar thousands unless otherwise stated)

(1) General Information

The Company is an investment holding company. During the Period, the Group and its associates were engaged in the following principal activities:

- Logistics and related business;
- Investment holding; and
- Manufacturing business#.

During the Period, the Board resolved to dispose of its interests in CSG Holding Co., Ltd. ("CSG") and Tianjin CSG Architectural Glass Co., Ltd. ("Tianjin CSG"). The Group has begun to dispose of CSG shares in the Shenzhen Stock Exchange ("SSE") and is proactively seeking buyers for the interests in Tianjin CSG. Accordingly, manufacturing business has no longer been one of the businesses conducted by the Group and its associates since early June 2007. Although the Group held more than 20% shareholding in CSG as at 30 June 2007, the Group do not exercise significant influence in the operating, financial and strategic decisions of CSG. Therefore, according to the intention of the management, the Group reclassified the

interests in associate in relation to CSG to available-for-sale financial assets (Note 10) and financial assets at fair value through profit or loss (Note 11). The interests in associate in relation to Tianjin CSG were reclassified to non-current assets held for sale (Note 12).

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Bank of Bermuda Building, 6 Front Street, Hamilton HM11, Bermuda.

The Company has its primary listing on the Stock Exchange of Hong Kong Limited.

The condensed consolidated interim financial information has been approved for issue by the Board on 28 August 2007.

(2) Basis of preparation

The unaudited condensed consolidated interim financial information for the Period have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2006.

(3) Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2006 except for the following new standards, amendments and interpretations which are effective and mandatory for accounting periods commencing on or after 1 January 2007:

Amendment to HKAS 1	Amendments to Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC)-Int 7	Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The adoption of the above new/revised standards, amendments and interpretations has no effect on the Group's interim financial information, but will have certain presentational implications on the coming annual financial statements.

During the Period, the Group also held financial assets at fair value through profit or loss and its accounting policies are as follows:

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the income statement within "Other gains – net", in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other gains when the Group's right to receive payments is established.

The following standards, amendments and interpretations have been published but are not yet effective or mandatory for the Group's accounting periods beginning on or after 1 January 2007, for which the Group has not early adopted:

HKAS 23 (Revised)	Borrowing Costs
HKFRS 8	Operating Segments
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions
HK(IFRIC)-Int 12	Service Concession Arrangements

The Group is in the process of assessing the impact of these new standards, amendments and interpretations, and is not yet in a position to state the potential impact all these new standards, amendments and interpretations would have on its results of operations and financial position.

(4) Segment information

During the Period, the Group and its associates are organized into three business segments in the People's Republic of China ("PRC") and Hong Kong:

(1) Logistics and related business;
(2) Investment holding; and
(3) Manufacturing business.

The segment turnover and segment results for the Period and six months ended 30 June 2006 are as follows:

	Segment turnover Six months ended 30 June						**Segment results Six months ended 30 June**	
	2007 (Unaudited)			2006 (Unaudited)			**2007 (Unaudited)**	2006 (Unaudited)
	The Group	**Share of associates #**	**Total #**	The Group	Share of associates #	Total #		
By principal activities								
Logistics and related business	**220,919**	**166,649**	**387,568**	181,466	171,545	353,011	**50,769**	31,621
Investment holding	**44,515**	**-**	**44,515**	5,638	-	5,638	**1,254,996**	3,394
Manufacturing business#	**-**	**381,469**	**381,469**	-	314,379	314,379	**-**	-
	265,434	**548,118**	**813,552**	187,104	485,924	673,028	**1,305,765**	35,015
By geographical areas								
Hong Kong	**-**	**-**	**-**	-	-	-	**80,047**	3,394
PRC	**265,434**	**548,118**	**813,552**	187,104	485,924	673,028	**1,225,718**	31,621
	265,434	**548,118**	**813,552**	187,104	485,924	673,028	**1,305,765**	35,015

The above financial information about share of associates and manufacturing business is presented for reference only. Manufacturing business has no longer been one of the businesses conducted by the Group and its associates since June 2007 (Details see Note 1).

(5) Operating Profit

The Group's operating profit is arrived after crediting and charging the following:

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
Crediting		
Gain on disposal of partial interest in associate	**80,552**	-
Fair value gains on financial assets at fair value through profit or loss	**1,142,398**	-
Deferred government grants recognised in income statement	**14,317**	13,373
Charging		
Depreciation and amortisation	**34,948**	28,881

(6) Finance income and costs

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
Interest expense:		
- bank borrowings	**(13,795)**	(16,307)
- convertible note	**(4,711)**	(5,848)
- convertible bonds	**(2,711)**	(8,223)
	(21,217)	(30,378)
Fair value loss on derivative liability of convertible bonds	**(179,164)**	-
Interest income for money market fund and bank deposits	**16,145**	11,089
Finance costs – net	**(184,236)**	(19,289)

(7) Income tax expense

Hong Kong profits tax has not been provided as the Group did not generate any assessable profits in Hong Kong during the Period. Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
Current income tax - Outside Hong Kong	**8,683**	6,773
Deferred income tax	**210,137**	(2,133)
	218,820	4,640

Share of associates' taxation for the six months ended 30 June 2007 of HK$24,993,000 (six months ended 30 June 2006: HK$19,298,000) is included in the income statement as share of profits of associates.

On 16 March 2007, the National People's Congress approved the New Taw Law. Effective from 1 January 2008, all enterprises are subject to a standard PRC enterprise income tax rate of 25%, except for particular provisions and preferential policies. The new tax rate has an impact on the tax base of the assets and liabilities determined based on the previous income tax rate. The changes in deferred income tax liabilities of approximately HK$35,000,000 due to the change of tax rate was recorded in the income statement for the Period. Besides, deferred income tax liabilities of approximately HK$178,427,000 resulting from the fair value gains on financial assets at fair value through profit or loss was also recorded in the income statement for the Period.

(8) Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the Period.

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	**1,033,234**	128,185
Weighted average number of ordinary shares in issue (thousands)	**12,911,124**	11,428,399
Basic earnings per share (HK cents per share)	**8.00**	1.12

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible note / bonds and share options. The convertible note / bonds are assumed to have been converted into ordinary shares and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
Profit attributable to equity holders of the Company	**1,033,234**	128,185
Interest expense on convertible note / bonds	**7,422**	14,071
Profit used to determine diluted earnings per share	**1,040,656**	142,256
Weighted average number of ordinary shares in issue (thousands)	**12,911,124**	11,428,399
Adjustment for – share option (thousands)	**140,018**	33,744
Adjustment for – conversion of convertible note (thousands)	**709,301**	904,110
Adjustments for – conversion of convertible bonds (thousands)	**497,578**	1,624,633
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**14,258,021**	13,990,886
Diluted earnings per share (HK cents per share)	**7.30**	1.02

(9) Dividends

The Board has resolved not to declare an interim dividend in respect of the six months ended 30 June 2007 (2006: Nil). A 2006 final dividend of HK$0.006 per ordinary share, totaling HK$76,981,128 was paid on 2 June 2007 (six months ended 30 June 2006: HK$63,435,000)

(10) Available-for-sale financial assets

	30 June 2007 (Unaudited)	31 December 2006 (Audited)
Shares listed on The Stock Exchange of Hong Kong Limited, at fair value	**40,291**	31,977
Other available-for-sale, at cost less impairment provision	**86,036**	83,706
Restricted A-shares listed on SSE - non-current, at fair value [#]	**54,277**	-
	180,604	115,683
Restricted A-shares listed on SSE - current, at fair value [#]	**346,051**	-

[#] Pursuant to the CSG share reform scheme completed in 2006, 10% and 1.57% of CSG shares held by the Company will become tradable shares on SSE on 24 May 2008 and 24 May 2009 respectively. Based on the intention of holding, management classified such restricted shares as available-for-sale financial assets (Note 1), and employed independent, professionally qualified valuer to perform valuation of their fair values as at 30 June 2007. As the PRC stock market is not a free market and is highly volatile, the sustainability of the share price of CSG A share during the lock up period cannot be assured. The market transaction method has been adopted to determine the fair values by reference to the financial information and transaction prices of well recognised similar companies in the The Stock Exchange of Hong Kong Limited.

(11) Financial assets at fair value through profit or loss

	30 June 2007 (Unaudited)	31 December 2006 (Audited)
A shares listed on SSE, at fair value	**1,366,591**	-

Financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital in the cash flow statement.

The fair value of all equity securities is based on their current bid prices in an active market.

(12) Non-current assets held for sale

Non-current assets held for sale as at 30 June 2007 mainly represented equity interest in CSG Tianjin reclassified from interests in associates (Note 1). Such shares have been disclosed as non-current assets held for sale after management approved the disposal on 8 June 2007.

(13) Trade and other receivables

Trade receivables generally have credit terms of 30 to 120 days. As at 30 June 2007 and 31 December 2006, the ageing analysis of the trade receivables was as follows:

	30 June 2007 (Unaudited)	31 December 2006 (Audited)
0 - 90 days	**47,396**	49,252
91 – 180 days	**10,195**	8,876
181 - 365 days	**6,222**	4,644
Over 365 days	**2,342**	11,308
	66,155	74,080

(14) Deferred income tax liabilities

The movements in deferred income tax liabilities during the period/year are as follows:

	30 June 2007 (Unaudited)	31 December 2006 **(Audited)**
Beginning of the period/year	**73,755**	71,090
Acquisition of a subsidiary	**29,639**	-
Acquisition of a jointly controlled entity	-	7,796
Additional deferred income tax liability provided as a result of change in tax rate	**36,019**	-
Reduction in deferred income tax liability as a result of change in tax rate	**(1,260)**	-
Deferred income tax liability on fair value gains on financial assets at fair value through profit or loss	**178,427**	-
Deferred income tax liability on fair value gains on available-for-sale financial assets	**29,321**	-
Previously recognised deferred income tax liability reversed in income statement	**(3,049)**	(5,131)
End of Period / year	**342,852**	73,755

(15) Trade and other payables

At 30 June 2007 and 31 December 2006, the ageing analysis of the trade payables was as follows:

	30 June 2007	31 December 2006
	(Unaudited)	(Audited)
0 - 90 days	**27,321**	21,014
91 - 180 days	**2,011**	1,756
181 - 365 days	**587**	794
Over 365 days	**1,161**	802
	31,080	24,366

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF RESULTS

During the Period, turnover of the Group amounted to HK$265 million (2006: HK$187 million), representing an increase of 42% over the corresponding period of 2006, and profit attributable to shareholders amounted to HK$1,033 million (2006: HK$128 million), representing an increase of 7 times over the corresponding period of 2006. Basic earnings per share of the Group was HK 8.00 cents (2006: HK 1.12 cents), representing an increase of 6.1 times over the corresponding period of 2006.

During the Period, turnover of the logistics and related business of the Group amounted to HK$220 million (2006: HK$181 million), representing an increase of 22%, while profit before interest and tax amounted to HK$153 million (2006: HK$114 million), representing an increase of 34%. The growth of the Group's core business was satisfactory. In particular, the businesses of logistic parks and toll roads recorded turnovers of approximately HK$51 million (2006: HK$32 million) and HK$83 million (2006: HK$65 million) respectively, representing respective increases of 59% and 28%, while profit before interest and tax of the two businesses amounted to HK$18 million (2006: HK$9.85 million) and HK$139 million (2006: HK$103 million) respectively, representing increases of 83% and 35% respectively.

With a view to further concentrating resources on its core logistics business, the Group is gradually reducing its investments in non-core businesses and is actively seeking opportunities for disposing of the equity interest in CSG. During the Period, profit attributable to shareholders has significantly increased by 7 times over the corresponding period of 2006. This was mainly due to the Group realised a profit of HK$80.55 million on the disposal of all its shareholding in CSG's B shares. The Group also reclassified CSG from an associate. The 101 million tradable A shares of CSG (representing approximately 46% of the Group's shareholding) were classified as financial assets through profit or loss and booked at CSG's A-share prices in accordance with applicable accounting standards, which resulted in an unrealised profit of HK$1,142 million arising from change in fair value, such recognition of book profit does not lead to any cash inflow but led to a profit before interest and tax amounting to HK$1,438 million, representing an increase of 8.4 times over the corresponding period of 2006.

A new income tax rate of the PRC will come into effect as from 1 January 2008. As a result, the applicable corporate income tax rate for majority of the Group's businesses will gradually increase from 15% to 25% in five years. The changes in deferred tax liabilities of approximately HK$35 million, due to the change of tax rate, was recorded in the income statement for the Period.

During the Period, due to continuous increase in the share price of the Company, the fair value of the derivative liability of the zero coupon convertible bonds with an aggregate principal amount of HK$600 million issued in February 2006 recorded a corresponding growth. A book loss of approximately HK$179 million arising from the change in fair value of the derivative liability of the convertible bonds was recognised. Such recognition of book loss does not affect the Group's operating results or cashflow. During the Period, an aggregate principal amount of HK$350.5 million of the convertible bonds was converted into ordinary shares of the Company by respective bond holders, and the aggregate principal amount of the outstanding convertible bonds was HK$20 million as at 30 June 2007.

Excluding the above non-recurring items, profit attributable to shareholders amounted to HK$203 million (2006: HK$129 million), representing an increase of 57% over the correspondence period of 2006.

MAJOR EVENTS DURING THE YEAR

1. Continuing merger, acquisition and integration of the Group's assets; Aggressively seizing the opportunities to increase the shareholdings of our quality logistics assets

With the support of the Shenzhen Municipal Government, the Group acquired 40% equity interest in Shenzhen Western Logistics Co., Ltd. ("Shenzhen Western Logistics") at a consideration of RMB230 million in December 2006. The acquisition was completed in May 2007 and Shenzhen Western Logistics has become a 60% owned subsidiary of the Group.

In addition, with the full support of the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal Government ("Shenzhen SASAC") and the Shenzhen Municipal Government, the Group had been actively looking for opportunities for acquisitions. In July 2007, the Group entered into an acquisition agreement with Shenzhen SASAC in relation to the further acquisition of 33.33% equity interest in Shenzhen South China International Logistics Co., Ltd. ("South China Logistics"), as well as assuming a shareholder's loan of RMB20 million due to a former shareholder of South China Logistics, at a consideration of RMB140 million. Upon completion of the acquisition, South China Logistics will become a wholly-owned subsidiary of the Group. In addition, the Group acquired a further 39% equity interest in Shenzhen EDI Co., Ltd ("Shenzhen EDI") at a consideration of RMB13 million. Upon completion of the acquisition, Shenzhen EDI will become a 78%-owned subsidiary of the Group.

With the completion of the acquisitions mentioned above, among the seven major logistic parks in Shenzhen, the Group has already obtained a controlling shareholding in Western Logistic Park and 100% control of South China International Logistics Centre ("SILC"), and has joint control of Shenzhen Airport Express Supervision Center, which is a key project in the Airport Logistics Park. These will form a tripod of logistic infrastructure covering Shenzhen-Hong Kong border control points, ports and the airport, thereby creating strategically complementary synergy.

2. With controlling shareholder increasing its equity interest in the Company, the Shenzhen Municipal Government demonstrates its utmost support

On 22 May 2007, our controlling shareholder, Shenzhen Investment Holding Corporation ("SIHC"), exercised the conversion right in the HK$330 million convertible note held by it in full, pursuant to which SIHC increased its equity interest in the Company by additional 904 million shares. This does not only reflect the continuous support from the Shenzhen Municipal Government, but also strengthens our fundamental capability for future acquisitions of quality logistic infrastructure assets, as the Group was now not required to repay the HK$330 million principle amount in cash on the maturity date of the convertible note. Therefore, this will help promote the interests of the Group and the shareholders as a whole.

3. Appointment of new Board members, providing additional momentum for the Group's future development

On 8 August 2007, Mr. Yang Hai was appointed as an executive director and Mr. Wang Hang Jun was appointed as a non-executive director of the Company by the Board. Mr. Yang is currently the chairman of Shenzhen Expressway Company Limited ("Shenzhen Expressway") and has extensive experience in the construction management of road engineering and corporate management. Mr. Wang has extensive experience in financial management and auditing. The Group believes that their appointments will benefit the Group in business development and asset restructuring.

4. Streamlining the internal structure of the Group to improve efficiency

To support the future business expansion and resources integration plans, the Group completed a streamlining of the internal structure, a lessening of management levels and a reduction of management costs during the Period. As a result, the management efficiency was effectively improved. This was a key step for the Group's reorganization of internal structure, and will bring a long-term positive impact on the Group in terms of its future business development and the improvement of its integral interests. Looking forward, this will be part of the Group's management philosophy to reform and improve its internal organization and system to further optimize the overall operation efficiency. The Group will increase efforts in integrating internal resources and businesses so as to lay a strong foundation of sustainable development in the future.

ANALYSIS OF MAJOR BUSINESS OPERATIONS

Logistics and Related Business

The Group's logistics and related business include logistic parks, toll roads and other logistics business.

Logistic Parks Business

During the Period, the Group's logistic parks business recorded a turnover of approximately HK$51 million (2006: HK$32 million) and profit before interest and tax of approximately HK$18 million (2006: HK$9.85 million), representing respective increases of 59% and 83% over the same period of 2006.

South China Logistics

South China Logistics, a key investment and development project with wholly-owned interest held by the Group, is principally engaged in the development, construction, operation and management of SILC, one of the seven logistic parks in Shenzhen.

Year 2007 is the second year since South China Logistics has implemented a full integration of its operations and achieved satisfactory revenue growth in the core business. The bonded and regulated warehousing business and the customs transferring and transiting business for import and export goods enjoyed significant growth, laying a solid foundation for the development of SILC in the future. During the Period, South China Logistics recorded a turnover of approximately HK$34.22 million (2006: HK$20.16 million), representing an increase of 70%, and a profit of HK$10.10 million (2006: HK$2.84 million), representing a significant increase of 2.6 times.

During the Period, the bonded and regulated warehousing business of South China Logistics had satisfactory performance, recording a turnover of approximately HK$15.47 million (2006: HK$7.20 million) which was a 114% increase over the corresponding period of 2006, as well as a gross profit margin of 58% (2006: 56%). With the commencement of operation of a new warehouse of approximately 15,000 square metres in the second quarter of 2007, the current total leasable area of warehouses amounted to approximately 60,000 square metres. During the Period, loading and unloading volumes increased significantly due to the increase in area of warehouses. Therefore, income generated from the customs declaration business as well as from the loading and unloading businesses recorded satisfactory performance. Upon commencement of operation of the two 2-storey warehouses with an aggregate area of 52,000 square metres at the year end of 2007, it is anticipated that the operation scale of South China Logistics will be significantly enhanced.

Since the second quarter of last year, South China Logistics has commenced the customs transferring and transiting business. Customers are satisfied with the operations in relation to customs declaration, loading and unloading, sealing, payment and settlement. The transit system has been gradually improving after one year’s operation and operating efficiency has been significantly enhanced, while turnover increased by 2.2 times over the corresponding period of 2006. The new transit platform was officially put into operation in May 2007, with a handling volume being 4 times that of the old one. It is expected that the transit business will continue to bring considerable revenue to South China Logistics.

During the Period, South China Logistics actively promoted the “Green Lane” business, and an agreement with a major container terminal operator in Hong Kong had been entered into for the setting up of an “Inland Gate” at SILC for cargoes from Hong Kong container terminals. With that, South China Logistics will be able to attract more customers to use the “Inland Gate” service, with some internationally renowned shipping companies having confirmed the use of such service. The implementation of the “Inland Gate” service is expected to bring significant revenue growth to the “Green Lane” business in the fourth quarter, thereby bringing a new milestone for the “Green Lane” business.

In the second half of 2007, South China Logistics will continue to expand the “Green Lane” business, to coordinate with the customs authorities and the inspection and quarantine departments, and to upgrade the function of the “Inland Gate” as soon as possible. Meanwhile, South China Logistics will actively accelerate project construction and will actively solicit customers for its new warehouses.

Shenzhen Western Logistics

Shenzhen Western Logistics was incorporated for the purpose of developing, constructing, operating and managing Western Logistic Park in Shenzhen. The site area of Western Logistic Park is 400,000 square metres and it is one of the seven logistic parks in Shenzhen.

During the Period, Shenzhen Western Logistics recorded a turnover of HK$25.41 million (2006: HK$24.78 million) and a profit after tax of approximately HK$7.18 million (2006: HK$7.21 million). Income was mainly derived from rental income of the empty container depot business. The profit attributable to the Group was approximately HK$1.79 million (2006: HK$1.44 million). Shenzhen Western Logistics completed all the procedures for acquiring the land with an area of 400,000 square metres in Western Logistic Park at the year end of 2006. It has been actively engaged in the planning for construction of major logistics projects in the logistic park. The first phase of the warehouse project is to build a 2-storey framework-structured warehouse with a gross floor area of approximately 37,000 square metres, the construction work has commenced in early 2007.

Shenzhen is a key passage linking Hong Kong and the PRC. The "Shenzhen-Hong Kong Western Corridor", the fourth cross-border corridor between Shenzhen and Hong Kong, officially opened on 1 July 2007. The Western Corridor's function of being the main logistics haul between Shenzhen and Hong Kong will become more and more important. The development of the Shenzhen Western Port area and the opening of the Western Corridor will provide abundant business opportunities and of rooms for market development to the International Logistic Park of Shenzhen and Hong Kong. Meanwhile, the advantageous geographical location of the International Logistic Park of Shenzhen and Hong Kong will become more apparent, providing favourable conditions for the development of various forms of logistics businesses.

Looking forward to the second half the year, Shenzhen Western Logistics will continue the various construction works of the International Logistic Park of Shenzhen and Hong Kong, and will actively engage in the expansion of its customer base and in pre-operation arrangements for the new warehouse, so as to prepare for the new warehouse's project development and operation in the future.

Shenzhen Airport International Express Supervision Center Co., Ltd. ("SZ Airport Express Center")

SZ Airport Express Center is a major project of Airport Logistics Park which is one of the seven logistic parks in Shenzhen. It is engaged in the operation and management of International Express Supervision Center in Shenzhen Airport.

During the Period, turnover of SZ Airport Express Center amounted to HK$25.57 million (2006: HK$23.51 million), representing an increase of 9% over the corresponding period of 2006. Profit attributable to shareholders of SZ Airport Express Center amounted to HK$10.50 million (2006: HK$9.99 million). During the Period, the accumulated express cargo volume handled by SZ Airport Express Center was 73,900 tons in total, representing a decrease of 4% over the corresponding period of 2006. In which, the volume of import express cargo recorded an increase of 42% over the corresponding period of 2006, attributing to a significant year-on-year increase of 11 percentage points as a proportion of the total express cargo volume, and given the fact that charges for import express cargo were higher than those for export express cargo, such increase contributed to a positive impact upon the overall profit growth of SZ Airport Express Center.

Due to the adjustments in export tax refund policies in the PRC, operating costs of the air transportation industry have increased since July 2007. It is estimated that the revenue of SZ Airport Express Center will be subject to a certain amount of pressure in the second half of the year. As such, SZ Airport Express Center is implementing corresponding measures to continuously strengthen coordination with various organizations and to speed up the operation process and service efficiency of air express cargoes, as well as to reduce its operating costs to achieve better economic efficiency.

Toll Road Business

The toll road business of the Group comprises Wuhuang Expressway and Shenzhen Expressway, of which respective interests of 45% and 31.15% are held. The remaining 55% interest of Wuhuang Expressway is owned by Shenzhen Expressway.

During the Period, the Group's toll road business recorded a turnover of HK$83 million (2006: HK$65 million), representing an increase of 28% over the corresponding period of 2006. Together with the share of profit of associates, profit before interest and tax amounted to HK$139 million (2006: HK$103 million), representing an increase of 35% over the corresponding period of 2006.

Wuhuang Expressway

During the Period, Wuhuang Expressway recorded turnover and profit before tax of HK$185 million and HK$86 million respectively, representing respective increases of 28% and 49% over the corresponding period of 2006, among which HK$83 million and HK$39 million were attributable to the Group. Since April 2006, Hubei Province implemented the "toll by weight" policy. The change of toll standards for trucks and the implementation of a penalty-based toll policy on overloaded trucks have brought a considerable growth in toll revenue for Wuhuang Expressway.

During the first half of 2007, the GDP of Hubei Province grew by approximately 12% year-on-year, which was a substantial growth and was above the national average. Cargo and passenger traffic volumes generated on roads in Hubei Province amounted to 14.3 billion TKs and 20.9 billion RPKs respectively, up 11% and 12% respectively when compared to the correspondence period of 2006, thereby bringing growth in traffic volume and toll revenue for Wuhuang Expressway.

With the expressway networks in Hubei and the whole country continuously improving, Wuhuang Expressway, as a major east-west traffic artery of Hubei, will enjoy an elevated stage of growth in traffic volume and toll revenue.

Shenzhen Expressway

During the Period, Shenzhen Expressway recorded a turnover of RMB518 million (2006: RMB344 million), representing an increase of 51% over the corresponding period of 2006. Profit attributable to shareholders amounted to RMB318 million (2006: RMB267 million), representing an increase of 19% over the corresponding period of 2006, of which the Group's share was RMB98.82 million (2006: RMB80.16 million), representing an increase of 23% over the corresponding period of 2006. During the Period, traffic flows and toll revenues of various major toll highways of Shenzhen Expressway continued to maintain steady growth. However, as operating costs and finance costs had increased when compared to the corresponding period of 2006, together with a provision of deferred income tax due to the change in tax rate, the growth in profits fell behind the growth in turnover at Shenzhen Expressway. At present, Shenzhen Expressway operates and invests in 17 toll highway projects, 14 of which are in operation while the remaining 3 are under construction. These projects are located throughout Shenzhen, Guangdong Province and other provinces in China.

During the Period, benefiting from the continuous and steady economic development in Shenzhen and its nearby areas, improving traffic networks increasing cargo throughput at the Shenzhen Port, expressway enjoyed continuous growth in traffic flow and toll revenue for highways, Shenzhen Expressway saw year-on-year growth of 22% and 21% respectively in the average daily mixed traffic flow and average daily toll revenue for toll highways operated and invested in Shenzhen. In addition, the four projects invested by Shenzhen Expressway in other areas of the Guangdong Province have officially commenced operation and are now in their initial operating stage. It is expected that these newly launched projects will contribute greater profits to Shenzhen Expressway in the future.

As Longda Expressway (Longhua, Shenzhen – Dalingshan, Dongguan), Changhu Expressway (Changping, Dongguan – Humen, Dongguan), Shuiguan Extension, Yanpai Expressway, Nanping Project (Phase I) and the Shenzhen-Hong Kong Western Corridor (Shenzhen – Hong Kong) have been successively completed and put into operation in recent years, an express-trunk-line network is gradually taking shape in Shenzhen and its peripheral areas and will continue to improve. Longda Expressway Dongguan Section was completed and put into operation in January 2007. It has helped increase traffic flows for some highways of Shenzhen Expressway in the area, which has in effect boosted Shenzhen Expressway's toll revenue growth.

In order to improve the quality of its highways and to further leverage their efficiency, Shenzhen Expressway is upgrading Qinglian Class 1 Highway to an expressway. The construction work is in progress. Other toll highway projects under construction by Shenzhen Expressway include Nanguang Expressway and Yanba (Section C). It is expected that upon completion of upgrading and construction works by the end of 2008, the total mileage of expressways then operated by Shenzhen Expressway will double the present level. The asset value and revenue from the operations of Shenzhen Expressway will thus further increase, bringing good returns for investors.

Other Logistics Business

Other logistics business of the Group include the provision of ancillary services of third party logistics and transportation, research and establishment of logistics information software system, and the development of enterprise data exchange platform for its customers.

During the Period, other logistics business of the Group recorded a turnover of approximately HK$86 million (2006: HK$84 million) and a loss before tax and interest of approximately HK$4 million (2006 profit: HK$400,000).

During the Period, as the Group's third party logistics business was facing intense competition and the pressure of higher costs, on the basis of the original logistics business, the Group actively communicated with customers so as to re-adjust prices according to the actual circumstances. On the other hand, it will make efforts to seek and quality resources and assets and good business, with a view to expanding into businesses with great potential for further development.

Manufacturing Business

CSG

CSG is principally engaged in the development, production and sales of high-end floating glass and other glass products. During the Period, CSG recorded a turnover of RMB1,827 million (2006: RMB1,287 million), representing an increase of 42% over the corresponding period of 2006. Profit attributable to shareholders amounted to RMB149 million (2006: RMB151 million), representing a slight decrease of 1% over the corresponding period of 2006.

During the Period, CSG still faced tremendous pressure brought by the oversupply problem in the floating glass market, persistent high prices for fuel and raw materials and intensified market competition. However, CSG was able to effectively reduce production costs through an improvement of its production technology and an enhancement of product completion rate.

During the Period, the Group realised a profit of HK$80.55 million from the disposal of all of its shareholding in CSG's B shares. It also reclassified CSG from an associate. The 101 million tradable A shares of CSG (representing approximately 46% of the Group's shareholding) were classified as financial assets through profit or loss and booked at CSG's A share prices in accordance with applicable accounting standards, which resulted in an unrealised profit of HK$1,142 million arising from change in fair value. The Group has a total of 117 million non-tradable CSG A shares, of which approximately 101 million shares (representing approximately 46% of the Group's shareholding) and 15.93 million shares (representing approximately 8% of the Group's shareholding) will become tradable shares on 24 May 2008 and 24 May 2009 respectively. Based on the fair value appraised by a professional valuer and recorded as financial assets available for sale, a fair value surplus of HK$112 million between its valuation and the carrying amount was recognized and recorded as changes in shareholder's equity. As a result of the change in fair value of CSG, the Group's total assets increased by HK$1,283 million, while the shareholders' equity increased by HK$1,076 million.

OUTLOOK

In view of the development and demand of the domestic logistics industry, and given the Group's competitive advantages in the logistics infrastructure industry including its experience, government relationships, human resources and capital resources, the Group plans to further increase its investments in logistics infrastructure projects and the toll road business in the future. Under the guidance of its regional strategic deployment, it also plans to actively identify projects with development and growth potential within its targeted areas. Through corresponding policies of restructuring, integrating and enhancement, the Group will strengthen its control over logistics nodes and infrastructure facilities and develop its capabilities in the provision of logistics value-added services so as to enhance the Group's core competitiveness in the logistics industry.

The Group will continue to focus on the strategic objective of developing the core logistics business to strengthen the reorganisation and integration of relevant resources. Through acquisition and integration of core business assets, the Group will further gather resources for developing logistics infrastructure and its derived business, whilst gradually reducing the investment in non-core business assets, with a view to improving the structure and quality of the assets of the Group.

Recently, the Group mainly concentrates on the development of Shenzhen City and the Pearl River Delta region. Meanwhile, the Group also closely monitors the investment opportunities in the Yangtze River Delta region and the Bohai Rim Area. In addition, the Group will accelerate its work on the merger and acquisition and restructuring of logistics resources (e.g. certain quality expressways) and logistics enterprises transferred to the municipal enterprises and business units under the Shenzhen SASAC system. We will also promote and optimise the efficient utilization of the current logistics infrastructure facilities and its profitability, in order to achieve the operating objective of maximizing the interests of the Company.

FINANCIAL POSITION

	30 June 2007 *HK$ Million*	**31 December 2006** *HK$ Million*
Total Assets	7,199	5,380
Total Liabilities	1,134	1,690
Shareholders' Equity	6,065	3,690
Cash and Cash Equivalents	841	882
Total Borrowings		
Short Term Bank Loans	163	243
Long Term Bank Loans due for repayment within one year	83	40
Long Term Bank Loans	247	289
Total Borrowings	493	572
Net Cash	348	310
Debt Instruments	49	785
Debt Asset Ratio	16%	31%
Ratio of Total Borrowings to Total Assets	7%	11%
Ratio of Net Cash to Shareholders' Equity	6%	8%

As at 30 June 2007, total bank loans of the Group amounted to HK$493 million (31 December 2006: HK$572 million), of which 49.8%, 13.2% and 37% were due for repayment within one year, the second year and the third year or after respectively. Approximately HK$431 million of the bank loans are repayable in Hong Kong dollars and HK$80 million are repayable in US dollars, and the remaining balances of approximately HK$54 million are borrowings from banks in the PRC repayable in Renminbi.

The Group's cash inflow is primarily denominated in Renminbi and the cash outflow denominated in Hong Kong dollars mainly comprises cash dividend payment to shareholders and scheduled repayments of bank loans. In the first half of 2007, Renminbi appreciated by 3 percent, which was beneficial to the Group in terms of the value of cash and net asset value. The latter increased by HK$89 million due to such appreciation. During the period, the Group recognized exchange gain of HK$2.46 million as "Other gains – net". In the short run, the Group's explosure to the exchange rate fluctuation of Renminbi and Hong Kong dollar is expected to be at a low level. The Group will from time to time review and monitor its foreign exchange risk.

Currently, the Group has cash in hand and standing banking facilities of HK$2,040 million and the utilised banking facilities amounts to HK$490 million. The Group has entered into an interest rate swap contract in respect of a syndicated loan granted so as to reduce the risk arising from increasing interest rates. The Group currently has sufficient financial resources and sound financing capability and will make full use of this advantage to continue to identify quality investment opportunities. It will also review its existing capital structure from time to time and consider plans to lower its funding costs so as to further increase the overall returns for its shareholders.

POST BALANCE EVENTS

1. Increased equity interests in South China Logistics and Shenzhen EDI

On 2 July 2007, the Group entered into an acquisition agreement with Shenzhen SASAC in relation to the further acquisitions of 33.33% equity interest in South China Logistics and 39% equity interest in Shenzhen EDI at considerations of RMB 140 million and RMB13 million respectively. Upon the procedures of changes of shareholdings are completed, the Group will increase its shareholdings to 100% and 78% in South China Logistics and Shenzhen EDI respectively.

2. Disposal of CSG A Shares

From the balance sheet date up to the date of this announcement, the Group has disposed of an aggregate of 32,028,044 CSG A Shares through the SSE trading system at a total consideration of RMB590 million, recorded a gain before taxation of approximately HK$537 million. The Group's shareholding in CSG dropped to 18.41%. As at the date of this announcement, a total of 69,518,268 CSG A Shares held by the Group were freely tradable on the SSE (representing approximately 37.18% interest of the Group held in CSG)

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Period.

CORPORATE GOVERNANCE

The Board is committed to maintain a high standard of corporate governance in the best interests of the shareholders. The corporate governance principles adopted by the Company emphasise a highly efficient board of directors, sound internal control and the transparency and accountability to all shareholders.

The Code on Corporate Governance Practices (the "CG Code") as set out in the Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") stipulates the principles of good corporate governance and two levels of recommendations: (a) Code Provisions; and (b) Recommended Best Practices. As disclosed in the Corporate Governance Report contained in the Company's 2006 annual report, the Company has applied the principles under the CG Code, and has been in full compliance with all the Code Provisions and certain Recommended Best Practices as set out in the CG Code. Throughout the Period, the Company has been in full compliance with all the Code Provisions and certain Recommended Best Practices as set out in the CG Code.

OTHER INFORMATION

The Company has engaged PricewaterhouseCoopers, the Auditors of the Company, to assist the Audit Committee to review the unaudited 2007 interim financial statements of the Group.

Before the date of this announcement, a meeting of the Audit Committee has been held with the Auditors of the Company for reviewing the interim financial statements of the Group for the six months ended 30 June 2007. The Group's unaudited interim condensed consolidated financial statements have been reviewed by the Company's Auditors, PricewaterhouseCoopers. Their review report will be included in the interim report to be despatched to the shareholders.

This announcement and other related information of the Company will be published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.szihl.com).

As at the date of this announcement, the Board consists of Messrs. Guo Yuan, Li Jing Qi, Liu Jun and Yang Hai as executive directors, Messrs. To Chi Keung, Simon, Zhang Hua Qiao and Wang Hang Jun as non-executive directors and Messrs. Leung Ming Yuen, Simon, Ding Xun and Nip Yun Wing as independent non-executive directors.

By Order of the Board
Shenzhen International Holdings Limited
Guo Yuan
Chairman

Hong Kong, 28 August 2007