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**Shenzhen Investment Holdings Bay Area
Development Company Limited**
深圳投控灣區發展有限公司
(incorporated in the Cayman Islands with limited liability)
Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

**INTERIM RESULTS FOR THE SIX MONTHS ENDED
30 JUNE 2022**

Highlights

- As the operational performance of the GS Superhighway and the GZ West Superhighway continued to be affected by the COVID-19 pandemic, the net toll revenue decreased by 20% YoY to RMB748 million.
- Profit attributable to owners of the Company fell by 38% YoY to RMB177 million, mainly due to the YoY decrease in the shared results of expressway projects and the net exchange loss of RMB42 million (first half of 2021: net exchange gain of RMB14 million).
- The interim dividend for 2022 is RMB5.75 cents per share (equivalent to HK6.67299 cents per share), and the Group believes the full-year regular dividend payout ratio target of 100% on recurring income will be maintained.
- In March 2022, the Company issued an announcement regarding “Possible Acquisition of 51% Equity Interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited from the Controlling Shareholder”. The due diligence and asset valuation of the transaction have been basically completed. The negotiation and internal procedures between the Company and its controlling shareholder in respect of the transaction are still in progress. Further information will be announced to the market when appropriate.

BUSINESS REVIEW

Overall Business Performance

During the period under review, the aggregate average daily toll revenue of the GS Superhighway and the GZ West Superhighway decreased by 20% YoY to RMB9.13 million and the total toll revenue amounted to RMB1.65 billion. The decrease in toll revenue was mainly due to the continuous outbreak of COVID-19 pandemic in Guangdong Province. Cities along the GS Superhighway and the GZ West Superhighway, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai, experienced multiple waves of pandemic, and certain regions implemented strict lockdown control measures for a short period of time, resulting in a significant decrease in passenger and freight traffic, which had a direct impact on the traffic of the expressway. The negative impact of the pandemic continued. In addition to the impact of the COVID-19 pandemic on the social transportation volume, the diversion impact caused by the newly opened expressways and reconstructed local roads in the surrounding areas of the GS Superhighway and the GZ West Superhighway also resulted in the YoY decrease in the operational performance of the GS Superhighway and the GZ West Superhighway. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic of the GS Superhighway decreased by 20%, 20% and 17% YoY to RMB6.21 million, 71,000 vehicles and 507,000 vehicles respectively; the average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic of the GZ West Superhighway decreased by 20%, 20% and 21% YoY to RMB2.92 million, 41,000 vehicles and 215,000 vehicles respectively.

All the residential units of the first phase of the Grand Park City have been launched for pre-sale and part of the sales revenue has started to be recognised based on completion stage. During the period under review, the contracted sales amounted to approximately RMB360 million.

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| Year | <i>First half of 2021</i> | <i>First half of 2022</i> | <i>% Change</i> |
|--|---------------------------|---------------------------|-----------------|
| At JV level | | | |
| GS Superhighway | | | |
| Average daily toll revenue ^{N1} (RMB '000) | 7,735 | 6,214 | -20% |
| Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000) | 89 | 71 | -20% |
| Average daily mixed traffic ^{N3} (No. of vehicles '000) | 611 | 507 | -17% |
| GZ West Superhighway | | | |
| Average daily toll revenue ^{N1} (RMB '000) | 3,636 | 2,918 | -20% |
| Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000) | 51 | 41 | -20% |
| Average daily mixed traffic ^{N3} (No. of vehicles '000) | 272 | 215 | -21% |

N1: Including tax

N2: Average daily full-length equivalent traffic is defined as the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the total number of days in the period under review

N3: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

Operating Environment

Domestic and External Economic Situation

In the first half of 2022, the international situation was complex and severe. The intensifying geopolitical conflicts and the continued escalation of Russia-Ukraine crisis caused a huge impact on global economic and trade transactions and commodity prices, and also increasing the stagflation risk of the global economy. In addition, the spread of the COVID-19 pandemic in multiple regions of Mainland China and the continuous introduction of control measures strongly affected the supply and demand sides of the economy, which led to a significant increase in downward pressure on the economic performance in Mainland China. Against this complicated economic environment, the GDP of Mainland China and Guangdong Province grew by 2.5% and 2.0% respectively in the first half of 2022, overcoming the impact of the unfavourable factors.

On 31 May 2022, the State Council issued a “Package of Policies and Measures to Solidly Stabilise the Economy” (《紮實穩住經濟的一攬子政策措施》), proposing a total of 33 policies and measures in six major aspects, covering fiscal, monetary and financial, stability of investment and promotion of consumption, food and energy security, stability of industry and supply chains and basic livelihood security, to strengthen the macro policies in stabilising the economy. On 1 June 2022, the Guangdong Provincial Government issued the “Implementation Plan for Guangdong Province to Implement a ‘Package of Policies and Measures to Solidly Stabilise the Economy’ issued by the State Council” (《廣東省貫徹落實國務院〈紮實穩住經濟的一攬子政策措施〉實施方案》), forming 131 specific policies from the six aspects to promote the implementation of a “Package of Policies and Measures to Solidly Stabilise the Economy” to stabilise the economic environment of Guangdong Province and the Bay Area. It is expected that with the effective implementation of a package of policies and measures, the economic foundation will return to stability, and the economic performance will remain within a reasonable range.

Development of the Bay Area

In 2021, the Bay Area has a total population of more than 86 million while its GDP was over RMB12.6 trillion, accounting for approximately 11% of the GDP in Mainland China. There are 25 enterprises entering the world’s top 500 and it is one of the most economically active regions in Mainland China with dominant regional advantages and huge development potential.



* Include HKSAR, Macao SAR, Guangzhou, Shenzhen, Zhuhai, Dongguan, Huizhou, Zhongshan, Foshan, Zhaoqing and Jiangmen

^ Calculated based on the average exchange rate of RMB1 to HKD1.2054 in 2021 (Census and Statistics Department, HKSAR)

Calculated based on the average exchange rate of RMB1 to MOP1.240866 in 2021 (Statistics and Census Service, Macao SAR)

Source: Statistics Bureau of Guangdong Province, Census and Statistics Department, HKSAR, Statistics and Census Service, Macao SAR

Since the promulgation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區發展規劃綱要》) in 2019, Mainland China and Guangdong Province have successively introduced a series of policies to support the accelerated implementation of the construction process of the Bay Area. Following the publication of the “Overall Plan for the Construction of the Hengqin Guangdong-Macao Intensive Cooperation Zone” (《橫琴粵澳深度合作區建設總體方案》) and the “Comprehensive Deepening of the Reform and Opening-up Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone” (《全面深化前海深港現代服務業合作區改革開放方案》) in September 2021, the State Council issued the “General Plan for Opening-up of Guangzhou Nansha to Deepen Comprehensive Cooperation among Guangdong, Hong Kong and Macao” (《廣州南沙深化面向世界的粵港澳全面合作總體方案》) in June this year. It suggests that the construction of the Bay Area has shown vitality by strengthening policy support, which has provided a strong foundation for the Mainland China’s economic innovation and competitiveness enhancement. With 2025 and 2035 as the time nodes, the Nansha Plan, as a fundamental document to promote the construction of Nansha, proposed the phased goals of scientific and technological innovation system and mechanism, public service level, business environment, etc., and set out the five tasks of building a cooperation base for the scientific and innovation industry, establishing of youth entrepreneurship and employment cooperation platform, construction of high-level opening-up portals, creating of rule-based mechanisms to connect highlands, and establishing of high-quality urban development benchmarks. Mainland China and Guangdong Province have continuously introduced specific policies and measures to support the development of the Bay Area, and continued to strengthen the core development momentum of the Bay Area, which will benefit the operating environment of the Group’s expressway business in the long run and provide strong support for the long-term and stable development of the Group’s business.

Latest Updates on Industry Policies

Differentiated tariff for expressway

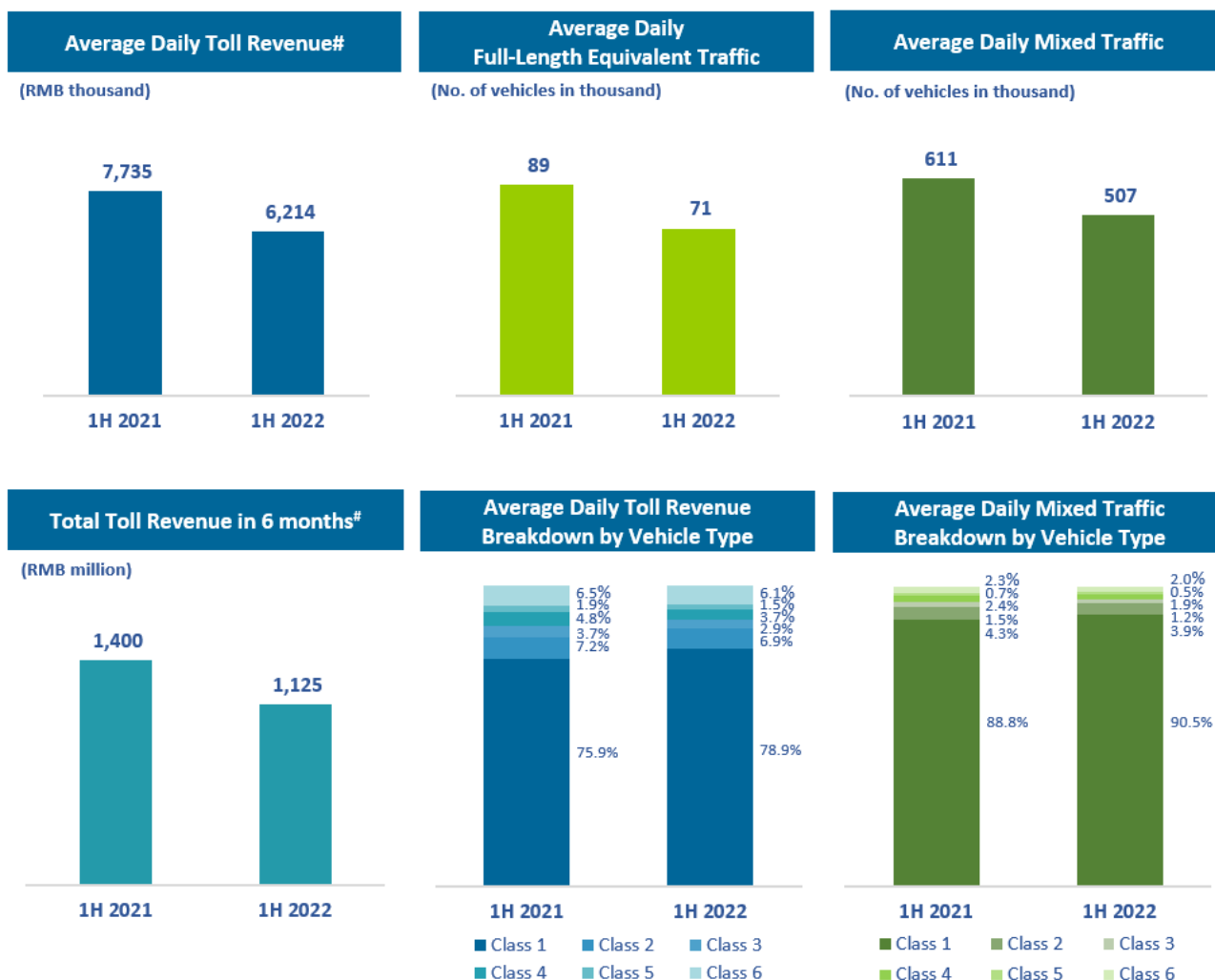
In April 2022, Guangdong Province announced the “Plan on Implementing Differentiated Tariff for Expressway Nationwide” (《全面推廣高速公路差異化收費實施方案》), which includes five specific work measures. Firstly, it will continue to implement the existing six differentiated tariff schemes, namely, the 5% toll discount for ETC vehicles, the tariff standard for large passenger vehicles with 40 seats above will be charged as Class 3 passenger vehicles, the 1% toll discount for Class 6 trucks, the 15% toll discount for legally loaded ETC trucks for 85 provincial and municipal expressways, and the discount for trucks for the Shenzhen section of Guangshen Coastal Expressway and the Nansha Port Highway remained unchanged until the end of 2024. Secondly, the newly built expressways wholly owned and controlled by state-owned enterprises in Guangdong Province will provide 15% toll discount for legally loaded ETC trucks and encourage other expressways to implement the same. Thirdly, eligible cities and districts are encouraged to implement toll preferential measures for expressways within their jurisdiction. Fourthly, free trial operation of newly opened expressways is encouraged. Fifthly, the operators of commercial expressways are supported to implement differentiated tariff independently. As such plan is basically a continuation of the differentiated tariff scheme in place and there is no other additional mandatory concession, there will be no further negative impact on the toll revenues of the GS Superhighway and the GZ West Superhighway.

Supportive policies for vehicle sales in Mainland China

The “Implementation Plan for Guangdong Province to Implement a ‘Package of Policies and Measures to Solidly Stabilise the Economy’ issued by the State Council” promulgated by Guangdong Province in June 2022 includes specific measures to support automobile consumption and automobile trade-in, such as trade-in subsidies, subsidies for purchasing new energy vehicles, increasing car purchase indicators in Guangzhou and Shenzhen, prohibition of implementing new measures to restrict automobile purchase in various areas, and fully implementing the cancellation of the policy on restricting the relocation of second-hand vehicles. The measures will not only support the continuous growth of car ownership and transportation volume, but also the operating environment of the expressway industry.

GS Superhighway

The GS Superhighway is a main expressway connecting the three major cities – Guangzhou, Dongguan and Shenzhen on the eastern bank of Bay Area to Hong Kong. The GDP of Guangzhou, Dongguan and Shenzhen rose 1.0%, 1.6% and 3.0% YoY respectively in the first half of 2022. Despite the economy of the cities along the GS Superhighway maintained growth, the operational performance of the GS Superhighway declined YoY due to the continuous impact of the COVID-19 pandemic. In the first half of 2022, the total toll revenue was RMB1,125 million. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic decreased by 20%, 20% and 17% YoY to RMB6.21 million, 71,000 vehicles and 507,000 vehicles respectively. Affected by the fluctuating situation of the COVID-19 pandemic, especially in March and April 2022, cities along the GS Superhighway, such as Shenzhen, Dongguan and Guangzhou, have temporarily implemented strict lockdown control measures and stopped all unnecessary travel and activities, thus citizen have travelled less frequently and causing a greater impact on toll revenue. The GS Superhighway's toll revenue in May and June has recovered from March and April, but it has not yet returned to the level of last year due to the continued negative impact of the COVID-19 pandemic. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 78.9% and 90.5% of the toll revenue and mixed traffic volume of the GS Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 65% and 67% of the toll revenue and traffic volume of the GS Superhighway respectively.



Including tax

The Shenzhen section Phase I, Dongguan section and Shenzhen section Phase II of Shenzhen Outer Ring Expressway were opened to traffic at the end of 2020 and in January 2022 respectively. The fully opened Shenzhen Outer Ring Expressway is another east-west expressway located at the north of Jihe Expressway, and is connected to several expressways such as the Guangshen Coastal Expressway, the GS Superhighway, the Nanguang Expressway, the Longda Expressway and the Meiguan Expressway. As the Songgang Interchange connecting with the GS Superhighway has not yet been opened, vehicles travelling on the Shenzhen Outer Ring Expressway cannot access to the GS Superhighway at the moment, thus causing a greater diversion impact on the GS Superhighway in 2021. However, such diversion impact did not further increase in the first half of 2022 and hence did not result in further negative impact.

In addition, Phase II of the Nanping Highway linking the Qianhai sub-district and Phase II of the Dongguan-Panyu Expressway linking the GS Superhighway in the Houjienan Interchange to the Dongguan-Shenzhen Expressway were opened to traffic in July 2021 and late 2021 respectively. These newly opened roads only had a slight diversion impact on the GS Superhighway during the period under review.

Expansion of GS Superhighway

Various works of the expansion of the GS Superhighway continues to advance based on the target to formally commence the expansion work in 2023. At present, the feasibility study revision report for the expansion work of the Guangzhou-Dongguan section has been basically completed, while the feasibility study revision report for the expansion work of the Shenzhen section is still in progress. After the completion of the revision report, the stage of application for work approval will be entered. According to the preliminary feasibility report of the expansion work, the expansion of the GS Superhighway involves 118.2km, from its current 6 lanes in dual directions to 8-12 lanes at different sections, with a preliminary estimated cost of RMB47.1 billion, yet the final construction scale and estimated cost are pending to the official approval by relevant government departments and are to be determined.

Potential Land Development and Utilisation of GS Superhighway

The public consultation notice issued by the government departments on the change of the nature of land use around Luogang Interchange to Type II residential (inclusive of commercial use) ended on 25 October 2021 and is still pending for the relevant government departments to announce its decision. If the planning is implemented, Luogang Interchange would be reconstructed to vacate land for residential development (inclusive of commercial use). The government shall resume the vacated land plots from GS JV in accordance with the relevant laws and regulations, and will put up for bidding and auction. Currently, the GS JV and the local government have basically completed the negotiation on the arrangement (including the compensation sum) for the resumption of the vacated land, so that a resumption agreement can be signed as soon as the planning is finalised, and the land resumption procedures of the Luogang Interchange are targeted to be completed in 2022. The Company is also negotiating with Guangdong Highway Construction to establish a joint venture, and will participate in the bidding for land use rights after the resumed land plot is put up for auction by the local government. However, the development and utilisation of land is subject to procedures for the change of land use and the obtaining of land use rights for future development according to relevant urban planning and regulations, which remain uncertain at the current stage.

The Company and Guangdong Highway Construction are promoting the studies on the planning that integrates the expansion with land development of Dongguan section and Shenzhen section. In particular, Daojiao Interchange and Xinqiao Interchange will be the key projects for study on feasibility in the next stage, and will further communicate with relevant government authorities proactively.

GZ West Superhighway

The GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers access to the HZM Bridge. The GDP of Guangzhou, Foshan, Zhongshan and Zhuhai rose 1.0%, 2.8%, 1.0% and 2.0% YoY respectively in first half of 2022. Despite the economy of the cities along the GZ West Superhighway maintained growth, the operational performance of the GZ West Superhighway declined YoY due to the continuous impact of the COVID-19 pandemic. In the first half of 2022, the total toll revenue was RMB528 million. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic decreased by 20%, 20% and 21% YoY to RMB2.92 million, 41,000 vehicles and 215,000 vehicles respectively. Affected by the fluctuating situation of the COVID-19 pandemic, especially in January and April 2022, cities along the GZ West Superhighway, such as Zhuhai, Zhongshan and Guangzhou, have temporarily implemented strict lockdown control measures, thus citizen have travelled less frequently and causing a greater impact on toll revenue. The GZ West Superhighway's toll revenue in May and June has recovered from March and April, but it has not yet returned to the level of last year due to the continued negative impact of the COVID-19 pandemic. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 78.7% and 91.5% of the toll revenue and mixed traffic volume of the GZ West Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 66% and 68% of the toll revenue and traffic volume of the GZ West Superhighway respectively.



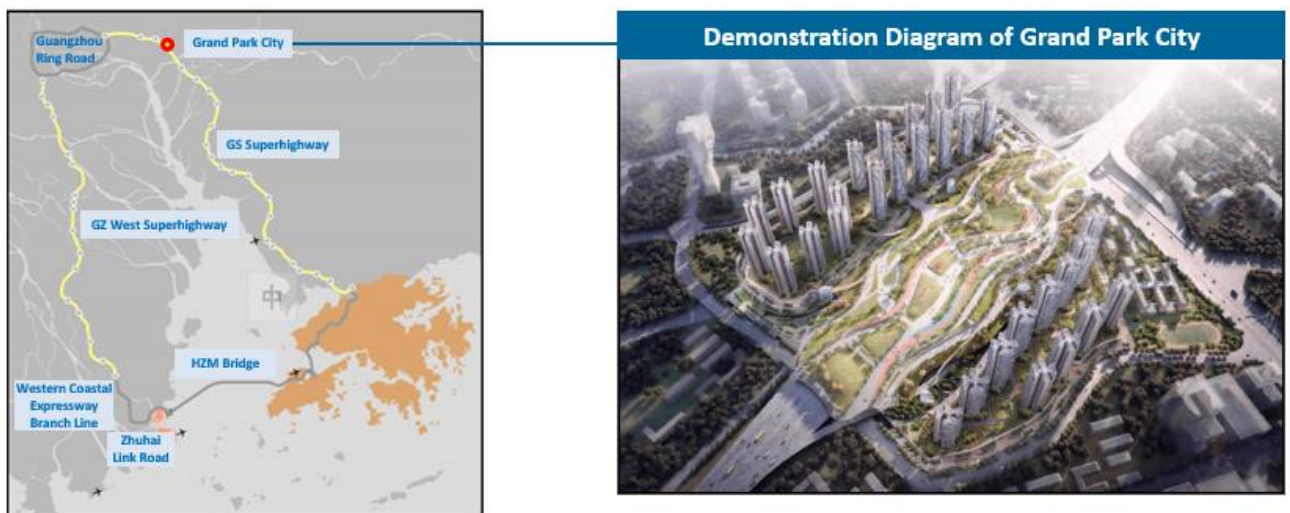
Including tax

During the period under review, the road improvement projects and newly opened expressway around the GZ West Superhighway have also caused diversion impact on it. The reconstruction project of Zhongshan Shalang and Guhe section of National Highway 105 was completed successively in the second half of 2021. Together with the newly upgraded local road in Sanxiang and Tanzhou, vehicles travelling to and from Zhongshan and Zhuhai returned to travelling the National Highway and local road. In addition, Phase IV of the Guangzhou-Zhongshan-Jiangmen Expressway was opened at the end of December 2021, representing the full opening of the Guangzhou-Zhongshan-Jiangmen Expressway. It is another east-west channel on the west bank of the Pearl River, which is connected with several expressways such as the Dongxin Expressway, the GZ West Superhighway and the Foshan-Jiangmen Expressway. The newly opened section is interconnected at the Nantoubei Interchange of the GZ West Superhighway, which makes it easier to travel to and from Jiangmen and Guangzhou, which has caused diversion on the vehicles travelling between Ronggui and Zhongjiang section of the GZ West Superhighway.

Grand Park City

The Grand Park City Project consists of three phases. All the residential units of the first phase have been launched for pre-sale and part of the sales revenue has started to be recognised based on completion stage in 2021. During the period under review, contracted sales amounting to approximately RMB360 million, representing the average sales price of RMB26,000 per square metre was recorded. The construction of residential units has been smoothly proceeded as scheduled so far. All 7 blocks of the first phase have been topped out and are undergoing interior decoration. It is expected to be delivered to buyers in 2023 as scheduled. The second phase consists of 12 blocks and the construction has commenced in the second quarter of 2022, of which 1 block has commenced pre-sale in June 2022 and is scheduled to be delivered to buyers in 2024.

Location of Grand Park City



FINANCIAL REVIEW

The Group's unaudited interim results for the six months ended 30 June 2022 were as follows:

| RMB million | Six months ended 30 June | | | | | | | | | |
|--|--------------------------|--------|-------------------------------|------------------|---------|-------------|-------------|-------------------------------|------------------|-------------|
| | 2021 | | | | | 2022 | | | | |
| | Revenue | EBITDA | Depreciation and amortisation | Interest and tax | Results | Revenue | EBITDA | Depreciation and amortisation | Interest and tax | Results |
| Group's share project contributions: | | | | | | | | | | |
| Toll expressway projects | | | | | | | | | | |
| - GS Superhighway ^{Note 1} | 612 | 562 | (226) | (122) | 214 | 492 | 457 | (195) | (86) | 176 |
| - GZ West Superhighway | 319 | 293 | (123) | (82) | 88 | 256 | 217 | (91) | (66) | 60 |
| Sub-total | 931 | 855 | (349) | (204) | 302 | 748 | 674 | (286) | (152) | 236 |
| Land development and utilisation project | | | | | | | | | | |
| - Xintang Interchange | - | (4) | - | (18) | (22) | 11 | 3 | 0 | (7) | (4) |
| Total | 931 | 851 | (349) | (222) | 280 | 759 | 677 | (286) | (159) | 232 |
| YoY change | | | | | | -18% | -20% | -18% | -28% | -17% |
| Corporate: | | | | | | | | | | |
| Bank deposits interest income | | | | | 17 | | | | | 20 |
| Investment income from structured deposits | | | | | 1 | | | | | 3 |
| Interest income of loans to a JV | | | | | 27 | | | | | 9 |
| Other income and other gain | | | | | 14 | | | | | 1 |
| General and administrative expenses and depreciation | | | | | (20) | | | | | (23) |
| Finance costs | | | | | (9) | | | | | (14) |
| Income tax expense | | | | | (33) | | | | | (6) |
| Sub-total | | | | | (3) | | | | | (10) |
| Profit before net exchange gain/ (loss) | | | | | 277 | | | | | 222 |
| Net exchange gain/(loss) | | | | | 14 | | | | | (42) |
| Profit for the period | | | | | 291 | | | | | 180 |
| Profit attributable to non-controlling interests | | | | | (4) | | | | | (3) |
| Profit attributable to owners of the Company | | | | | 287 | | | | | 177 |
| YoY change | | | | | | | | | | -38% |

Note 1: Excluding exchange differences on US Dollar and HK Dollar loans, and related income tax.

Toll Expressway Projects

The Group's share of net toll revenue of the expressway projects namely the GS Superhighway and the GZ West Superhighway operated by two joint ventures decreased by 20% to RMB748 million from RMB931 million for the corresponding period of last year, of which the net toll revenue of the GS Superhighway decreased by 20% to RMB492 million from RMB612 million for the corresponding period of last year; the net toll revenue of the GZ West Superhighway decreased by 20% to RMB256 million from RMB319 million for the corresponding period of last year. The main reasons for the decrease in toll revenue include: the continuous outbreak of COVID-19 pandemic in Guangdong Province, cities along the GS Superhighway and the GZ West Superhighway, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai, experienced multiple waves of pandemic, and certain regions implemented strict lockdown control measures for a short period of time, resulting in a significant decrease in passenger and freight traffic, which had a direct impact on the traffic of the expressway, and the newly opened expressways and reconstructed local roads in the surrounding areas of the GS Superhighway and the GZ West Superhighway have also caused diversion impact.

As the toll revenue of the GS Superhighway and the GZ West Superhighway recorded a decrease during the period under review, the Group's share of aggregate EBITDA of its two toll expressways (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) decreased by 21% to RMB674 million from RMB855 million for the corresponding period of last year. The Group's share of EBITDA of the GS Superhighway decreased by 19% to RMB457 million from RMB562 million for the corresponding period of last year; the Group's share of EBITDA of the GZ West Superhighway decreased by 26% to RMB217 million from RMB293 million for the corresponding period of last year.

As affected by the pandemic and diversion impact mentioned above, the actual full-length equivalent traffic (including tolled and toll-free) of the GS Superhighway and the GZ West Superhighway during the period under review decreased as compared to the corresponding period of last year. The Group's share of depreciation and amortisation charges of the GS Superhighway amounted to RMB195 million, representing a decrease of 14% from RMB226 million as compared to the corresponding period of last year. The Group's share of depreciation and amortisation charges of the GZ West Superhighway amounted to RMB91 million, representing a decrease of 26% from RMB123 million as compared to the corresponding period of last year. Overall, the Group's share of aggregate depreciation and amortisation charges of the two toll expressways amounted to RMB286 million, representing a decrease of 18% from RMB349 million as compared to the corresponding period of last year.

Since the GS JV successfully reached an agreement with banks to reduce the interest rates for USD and HKD denominated loans by 0.5% from September 2021, and RMB denominated loans benefited from the reduction of the loan prime rate. The Group's share of interest expenses of the GS JV decreased by 23% to RMB17 million from RMB22 million for the corresponding period of last year; the GZ West JV benefiting from the decline in the loan prime rate, leading to a reduction of interest expenses of the GZ West JV. The Group's share of interest expenses of the GZ West JV decreased by 14% to RMB42 million from RMB49 million for the corresponding period of last year. The applicable PRC EIT rate for both the GS JV and the GZ West JV is 25%. With the decrease in toll revenue, the Group's share of tax expenses of the GS JV decreased by 31% to RMB69 million from RMB100 million for the corresponding period of last year, while the Group's share of tax expenses of the GZ West JV decreased by 27% to RMB24 million from RMB33 million for the corresponding period of last year. Overall, the Group's share of interest and tax expenses in the two joint ventures in aggregate decreased by 25% to RMB152 million from RMB204 million for the corresponding period of last year.

During the period under review, the Group's share of net profit of the GS JV was RMB176 million, representing a decrease of 18% as compared to a net profit of RMB214 million for the corresponding period of last year; while the Group's share of net profit of the GZ West JV was RMB60 million, representing a decrease of 32% as compared to a net profit of RMB88 million for the corresponding period of last year. The Group's share of aggregate net profit of the two expressway projects (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) was RMB236 million, representing a decrease of 22% as compared to a net profit of RMB302 million for the corresponding period of last year.

Land Development and Utilisation Project

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment holds 15%, 25% (in aggregate) and 60% of equity interest in the Xintang JV respectively.

In order to meet the relevant bank financing requirements in Mainland China, on 30 June 2021, the Xintang JV increased its registered capital from RMB10 million to RMB3.04 billion through a debt-for-equity swap on the existing shareholder's loans, and the shareholder's loans contributed by the Parties accordingly decreased from approximately RMB4,983 million to approximately RMB1,953 million; the registered capital contributed by the Group (through Shenwan Infrastructure) increased from RMB1.50 million to approximately RMB456 million based on its shareholding percentage, and the shareholder's loans decreased from approximately RMB747 million to approximately RMB293 million. As Xintang JV further repaid shareholders' loans to the Parties based on its shareholding percentage, the Group's shareholders' loans to Xintang JV amounted to approximately RMB210 million as of 30 June 2022, with the shareholders' loans bearing an interest rate of 8% per annum. Xintang JV has officially pre-sold certain residential units in May 2021 and has commenced to recognise the revenue based on completion stage in the second half of 2021. It is expected that Xintang JV would contribute profit in 2023.

The Group

The aggregate amount of the Group's interest income from bank deposits and investment income from bank structured deposits increased to RMB23 million from approximately RMB18 million for the corresponding period of last year, mainly due to increases in the balances of bank deposits and the structured deposits. As set out in the paragraph under the "Land Development and Utilisation Project", through a debt-for-equity swap of the Xintang JV on 30 June 2021, the shareholders' loans contributed by the Group (through Shenwan Infrastructure) to Xintang JV decreased from approximately RMB747 million to approximately RMB293 million. As a result, the interest income of loans to a JV decreased from approximately RMB27 million for the corresponding period of last year to approximately RMB9 million.

The interest expense of bank loans during the period under review increased by 56% to RMB14 million from RMB9 million for the corresponding period of last year, which was mainly due to the need of contribution to the Xintang JV and general working capital, leading to an increase in the average bank loan balances.

Income tax expenses mainly represent the provision for the interest income from the contribution of shareholder's loans to the Xintang JV by Shenwan Infrastructure, where the applicable PRC EIT rate is 25%; and the provision on the undistributed earnings of Shenwan Infrastructure, according to the prevailing tax laws in the PRC, the withholding tax shall be imposed at a preferential tax rate of 5% (normally at 10%) when Shenwan Infrastructure distributes its profits. Overall, the loss of the Group (excluding JVs) amounted to approximately RMB10 million during the period under review, as compared to loss of approximately RMB3 million for the corresponding period of last year.

Affected by the depreciation of RMB during the period under review, the net exchange loss (including the Group's share of exchange loss on the US Dollar and HK Dollar denominated loans of the GS JV) amounted to RMB42 million was recorded, as compared to the net exchange gain of RMB14 million recorded for the corresponding period of last year. The profit attributable to owners of the Company amounted to RMB177 million, representing a decrease of 38% from RMB287 million as compared to the corresponding period of last year.

Outlook

Fluctuations in the RMB exchange rate and the expected continued rise in USD interest rates have had a negative impact on both USD and HKD denominated loans to the GS JV. Although the global economic prospect remains uncertain, with the COVID-19 pandemic being basically brought under control in Mainland China, which has had a positive impact on the joint ventures, the Group believes that the stable core business of the GS Superhighway and the GZ West Superhighway will continue to support the Group's future performance enhancement. Overall, the Group remains cautiously optimistic about its future performance: (i) the GS Superhighway and the GZ West Superhighway will benefit from favourable policies, especially the high-quality economic development of the Bay Area; (ii) RMB denominated loans of GS JV and GZ West JV benefited from adopting the lower loan prime rate as the pricing basis; and (iii) the Grand Park City is expected to contribute profit in 2023.

As the economic growth of Mainland China tends to be stable and the GS JV has paid stable dividends to the Group every year, the financial situation of the Group remains robust. The Board believes that the Group's full-year regular dividend payout ratio target of 100% on recurring income will be maintained.

Financing of the Group

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment owns 15%, 25% (in aggregate) and 60% of equity interests in the Xintang JV respectively pursuant to the JV agreement and JV articles of the Xintang JV entered into on 10 September 2020. The maximum total amount to be contributed (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the Parties for the investment in the project (through the Xintang JV) is RMB6,800 million ("Total Upper Limit"), among which, each of Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, will contribute the respective amounts of up to RMB1,020 million, RMB1,360 million, RMB340 million and RMB4,080 million, representing 15%, 20%, 5% and 60% of the maximum total amount of contribution of the Parties, and accordingly, the registered capital of the Xintang JV owned by the Parties in the same proportion.

The Total Upper Limit was arrived with reference to the estimated cost of acquisition of the land use rights of the Project Land, the estimated costs of the ancillary works and other estimated costs and expenses in relation to the operation of the Xintang JV. The respective Party's limit was determined based on their respective percentage of equity interest in the Xintang JV. It is intended that Shenwan Infrastructure's commitment of up to its respective Party's limit will be satisfied by way of external financing and internal resources of the Group. The total investment amount of the Xintang JV is not bound by the Total Upper Limit. Xintang JV may arrange financing from banks or other third parties for the cost of development of the Project Land with the use of its own credit and assets.

The Group has duly made arrangement to meet the capital need of the Xintang JV. On 30 June 2022, the Group contributed approximately RMB891 million to the Xintang JV (comprising registered capital of approximately RMB456 million, shareholder's loans of approximately RMB210 million, and the shareholder's guarantee for bank financing of approximately RMB225 million in proportion to the respective equity interest of shareholders).

The financial position of the Group comprises assets and liabilities at corporate level and the Group's share of assets and liabilities of the GS JV, the GZ West JV and the Xintang JV.

Corporate Level

| | 31 December 2021 | 30 June 2022 | | 31 December 2021 | 30 June 2022 |
|--|---------------------|-----------------|---|---------------------|-----------------|
| | RMB million | RMB million | | RMB million | RMB million |
| Bank balances and cash, bank structured deposits | 1,903 | 1,937 | Bank loans | 1,936 | 2,032 |
| Shareholder's loan to a JV | 263 | 210 | Tax liabilities | 139 | 148 |
| Interest receivable of shareholder's loan to a JV | 1 | 10 | Dividend payable | - | 339 |
| Other assets | 33 | 46 | Other liabilities | 18 | 27 |
| | 2,200 | 2,203 | | 2,093 | 2,546 |
| | | | Net assets /(liabilities) of the Group | 107 | (343) |

The Group's share of JVs

GS JV (The Group's shared portion: 45%)

| | 31 December 2021 | 30 June 2022 | | 31 December 2021 | 30 June 2022 |
|------------------------------|---------------------|-----------------|---------------------|---------------------|-----------------|
| | RMB million | RMB million | | RMB million | RMB million |
| Bank balances and cash | 250 | 506 | Bank loans | | |
| Concession intangible assets | 3,017 | 2,897 | - USD | 882 | 925 |
| Property and equipment | 276 | 253 | - HKD | 76 | 79 |
| Other assets | 92 | 107 | - RMB | 394 | 338 |
| | | | Other loan | 11 | 11 |
| | | | Other liabilities | 687 | 618 |
| | 3,635 | 3,763 | | 2,050 | 1,971 |
| | | | Net assets of GS JV | 1,585 | 1,792 |

GZ West JV (The Group's shared portion: 50%)

| | 31 December 2021 | 30 June 2022 | | 31 December 2021 | 30 June 2022 |
|------------------------------|---------------------|-----------------|-------------------------------|---------------------|-----------------|
| | RMB million | RMB million | | RMB million | RMB million |
| Bank balances and cash | 85 | 152 | Bank loans | 2,143 | 2,088 |
| Concession intangible assets | 5,323 | 5,208 | Balances with a JV partner | 514 | 529 |
| Property and equipment | 163 | 152 | Other liabilities | 442 | 443 |
| Balances with a JV | 514 | 529 | | | |
| Other assets | 17 | 28 | | | |
| | 6,102 | 6,069 | | 3,099 | 3,060 |
| | | | Net assets of GZ West JV | 3,003 | 3,009 |

Xintang JV (The Group's shared portion: 15%)

| | 31 December 2021 | 30 June 2022 | | 31 December 2021 | 30 June 2022 |
|------------------------|---------------------|-----------------|--|---------------------|-----------------|
| | RMB million | RMB million | | RMB million | RMB million |
| Bank balances and cash | 33 | 46 | Shareholder's loan | 263 | 210 |
| Project Land cost | 805 | 868 | Shareholder's loan interest payable | 1 | 10 |
| Other assets | 38 | 40 | Bank loan | 7 | 93 |
| | | | Contract liabilities | 160 | 203 |
| | | | Other liabilities | 61 | 59 |
| | 876 | 954 | | 492 | 575 |
| | | | Net assets of Xintang JV | 384 | 379 |

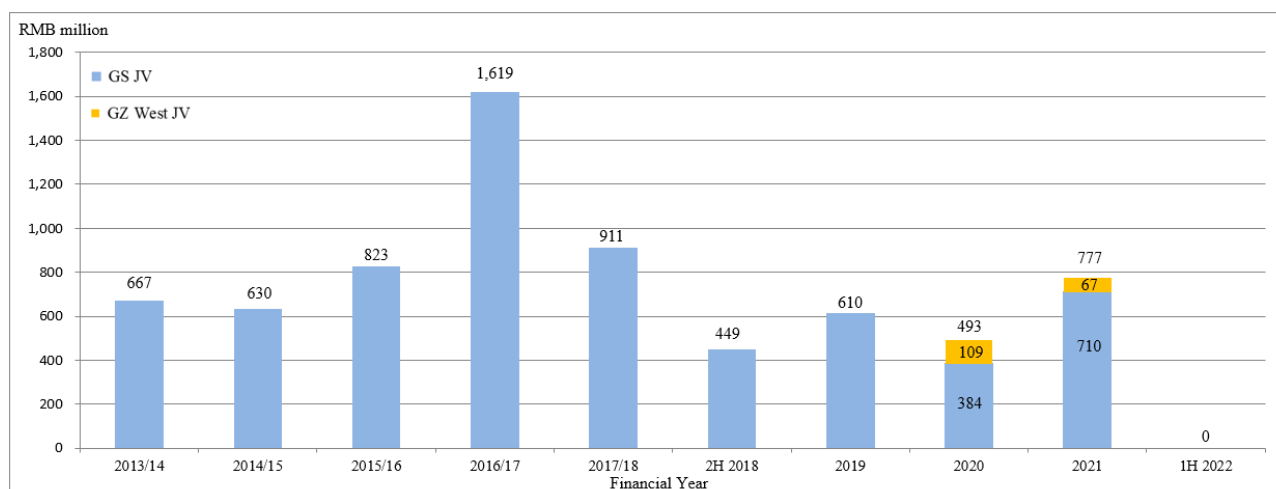
| | 31 December 2021 | 30 June 2022 | | 31 December 2021 | 30 June 2022 |
|---------------------|---------------------|-----------------|---|---------------------|-----------------|
| | RMB million | RMB million | | RMB million | RMB million |
| | | | Total liabilities | 7,734 | 8,152 |
| | | | Equity attributable to owners of the Company | 5,057 | 4,812 |
| | | | Non-controlling interests | 22 | 25 |
| Total Assets | 12,813 | 12,989 | Total Shareholder's Equity and Liabilities | 12,813 | 12,989 |
| | | | Total net assets | 5,079 | 4,837 |

| | 31 December 2021 RMB million | 30 June 2022 RMB million |
|---|---------------------------------|-----------------------------|
| Total liabilities | 2,093 | 2,547 |
| Net debt <i>Note 1</i> | 33 | 96 |
| Total assets | 7,172 | 7,384 |
| Equity attributable to owners of the Company | 5,056 | 4,812 |
| Debt to asset ratio (Total liabilities / Total assets) | 29% | 34% |
| Gearing ratio (Net debt / Equity attributable to owners of the Company) | 1% | 2% |

Note 1: Net debt is defined as total bank loans less total bank balances and cash, and structured deposit.

Liquidity and Financial Resources

Cash Dividends (Net of Tax) from JVs to the Group



In July 2022, the Group has received cash dividends of approximately RMB210 million from the GS JV.

Bank and Other Borrowings

On 30 June 2022, the Group had HK Dollar bank loan of equivalent to approximately RMB2,032 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB3,537 million (including US Dollar bank loans of equivalent to RMB925 million, HK Dollar bank loan of equivalent to RMB79 million and RMB bank and other loans of RMB2,533 million, but excluding the shareholder's loans) totalling approximately RMB5,569 million (31 December 2021: approximately RMB5,449 million) with the following profile:

- (a) 99.8% (31 December 2021: 99.8%) consisted of bank loans and 0.2% (31 December 2021: 0.2%) of other loan; and
- (b) 45% (31 December 2021: 47%) was denominated in RMB; 17% (31 December 2021: 16%) was denominated in US Dollar and 38% (31 December 2021: 37%) was denominated in HK Dollar.

Debt Maturity Profile

As at 30 June 2022, whereas the maturity profile of the bank and other borrowings (excluding shareholder's loans) at corporate level and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2021:

Corporate Level

| | 31 December 2021 | | 30 June 2022 | |
|---------------------------------|------------------|------|--------------|------|
| | RMB million | % | RMB million | % |
| Repayable within 1 year | 882 | 46% | 931 | 46% |
| Repayable between 1 and 5 years | 1,054 | 54% | 1,101 | 54% |
| | 1,936 | 100% | 2,032 | 100% |

The Group's share of JVs

| | 31 December 2021 | | 30 June 2022 | |
|---------------------------------|------------------|------|--------------|------|
| | RMB million | % | RMB million | % |
| Repayable within 1 year | 220 | 6% | 308 | 9% |
| Repayable between 1 and 5 years | 2,541 | 72% | 2,553 | 72% |
| Repayable beyond 5 years | 752 | 22% | 676 | 19% |
| | 3,513 | 100% | 3,537 | 100% |

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates. At present, neither the Group nor JVs has employed any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Treasury Policies

The Group continues to adopt proactive but prudent treasury policies in its financial and funding management and closely monitors its liquidity, financial resources, interest rate and exchange rate movements, with a view to minimising its funding costs and enhancing return on its financial assets. The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to ensure capital safety and liquidity, for example, the impact of risk factors on the expected rate of return of the bank structured deposits with guaranteed principal is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC. As at 30 June 2022, 99% of the Group's bank balances and cash (including bank structured deposit) were denominated in RMB and the remaining 1% were denominated in HK Dollar. The overall treasury yield on bank deposits (including bank structured deposit) of the Group was 3.36% during the period under review whereas 2.92% during the corresponding period of 2021.

Guarantee

As at 30 June 2022, the available banking facilities of a wholly-owned subsidiary of the Company amounted to approximately RMB3,179 million (31 December 2021: approximately RMB3,737 million) were guaranteed by the Company. The Company is able to control the utilisation of the facilities.

During the period under review, a non-wholly-owned subsidiary of the Company has provided a corporate guarantee to a bank to secure a banking facility granted to a joint venture amounted to approximately RMB225 million. At 30 June 2022, the amount utilised by the joint venture was approximately RMB93 million. In the opinion of the Directors, the fair value of the financial guarantee is insignificant.

Contingent Liability

The Group had no material contingent liability as at 30 June 2022.

Material Acquisition or Disposal

On 7 March 2022 the Company as the potential purchaser entered into a memorandum of understanding (the “MOU”) with Shenzhen Expressway as the potential vendor (the “Potential Vendor”) (the Company and the Potential Vendor, collectively the “Parties”), an intermediate controlling shareholder of the Company, in relation to a possible acquisition of 51% equity interests in Shenzhen Guangshen Coastal Expressway Investment Company Limited* (深圳市廣深沿江高速公路投資有限公司) (the “Coastal Company”) from the Potential Vendor (the “Possible Transaction”).

The Possible Transaction is subject to further negotiation and execution of a formal and legally binding sale and purchase agreement between the Parties. The MOU and all obligations thereunder shall immediately and absolutely be terminated, released and discharged if no binding formal agreement is executed by 31 December 2022 (or such later date as agreed between the Parties).

The MOU does not create legally binding obligations on the Parties in relation to the Possible Transaction, save for certain provisions relating to confidentiality, termination, costs and governing law.

The Coastal Company is a company incorporated in the PRC which is wholly owned by the Potential Vendor. Its principal business is the investment, construction and operation of Coastal Expressway (Shenzhen Section).

As at the date of this announcement, no formal sale and purchase agreement has been entered into in respect of the Possible Transaction, and negotiation thereof is still in progress. The Possible Transaction, if materialised, would give rise to a notifiable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules respectively.

Further announcement(s) will be made by the Company in the event that a formal sale and purchase agreement in respect of the Possible Transaction is entered into.

Details of possible acquisition of 51% equity interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited from the controlling shareholder were set out in the announcement of the Company dated on 7 March 2022.

Save as disclosed above, the Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the six months ended 30 June 2022.

INTERIM DIVIDEND AND CLOSURE OF REGISTER

Interim Dividend

On 4 August 2022, the Board declared an interim dividend of RMB5.75 cents per share (equivalent to HK6.67299 cents per share) in respect of the financial year ending 31 December 2022 to be paid on Friday, 21 October 2022 to the Shareholders registered as at 4:30 p.m. on Monday, 5 September 2022. This represents a payout ratio of 100% of the Group's profit attributable to owners of the Company for the six months period ended 30 June 2022. The interim dividend will be payable in cash in RMB, HK Dollars, or a combination of these currencies, at the exchange rate of RMB1:HK\$1.16052 as published by The People's Bank of China on 4 August 2022 and Shareholders have been given the option of electing to receive the interim dividend in either RMB, HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shop 17M, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 23 September 2022. **If no dividend election is made by a shareholder, such shareholder will receive the interim dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

Closure of Register

To ascertain the Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed for one day on Monday, 5 September 2022. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the interim dividend, all transfers of share ownership, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 2 September 2022.

OTHER INFORMATION

Review of Annual Results

The Audit Committee had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the Group's unaudited interim results for the six months ended 30 June 2022.

Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group's business performance. It also provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 30 June 2022, the Group (excluding JV companies) had 60 employees.

Besides offering competitive remuneration packages, the Group is committed to promoting family friendly employment policies and practices. The Group also invests in human capital development by providing relevant training programs to enhance employee productivity.

The Group's training programs are designed to support its employees' continuous learning and development and fill skill gaps identified during performance appraisals. Its overall training objectives are to enhance the personal productivity of its employees and to identify their career development plan in order to prepare their future roles and enable them to make greater contributions to the success of the Group's businesses. Besides formal training programs, the Group also provides comprehensive and relevant training and self-learning opportunities to employees such as on-the-job training, educational sponsorships and examination leave.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2022.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

During the period under review, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 29 April 2022 (the "Meeting"). Mr. Yu Lung CHING (an independent non-executive director, the chairman of audit committee and a member of remuneration committee and nomination committee of the Company) was elected to take the chair of the Meeting in accordance with the articles of association of the Company. The auditor and almost all the other directors of the Company had attended the Meeting, in person or by electronic means. Save as aforesaid, the Company complied with all the code provisions as set out in the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors' and employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the period under review.

The Sale and Purchase of Shares of the Company

On 10 August 2021, Shenzhen Investment International Capital Holdings Co., Limited. (the "Vendor"), a wholly-owned subsidiary of SIHC, entered into a sale and purchase agreement (the "Agreement") with Mei Wah Industrial (Hong Kong) Limited (the "Purchaser"), a wholly-owned subsidiary of Shenzhen Expressway. Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase all the issued shares of Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (the "Target Company") at a total consideration of HK\$2,450,034,805.18, with the Purchaser further conditionally agreeing to finance the repayment of the loans owing by the Target Company to the Vendor in the aggregate principal amount of approximately USD700,000,000 and several existing bank loans owing by the Target Company to certain banks, in the aggregate principal amount of approximately HK\$2,429,495,000 (the "Transaction").

On 10 December 2021, the relevant resolution approving the Agreement and the transactions contemplated thereunder was approved by the independent shareholders of Shenzhen Expressway at its extraordinary general meeting and the independent shareholders of Shenzhen International at its special general meeting.

On 11 January 2022, completion of the sale and purchase of all the issued shares in the Target Company under the Agreement had taken place. Upon completion of the Transaction, the Purchaser, Shenzhen Expressway and Shenzhen International become the intermediate controlling shareholders of the Company, with the Purchaser (through its 100% shareholding interest in the Target Company) indirectly holding approximately 71.83% of the total issued shares of the Company. Since the Purchaser is a wholly-owned subsidiary of Shenzhen Expressway, being a subsidiary of Shenzhen International, which in turn is controlled by SIHC, SIHC remains the ultimate controlling shareholder of the Company upon completion of the Transaction.

Details of completion of the sale and purchase of shares of the Target Company by controlling shareholder were set out in the announcements of the Company dated 10 August 2021, 10 December 2021 and 11 January 2022.

On behalf of the Board
Wei HU*
Chairman

Hong Kong, 4 August 2022

**For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2022

| | <u>NOTES</u> | Six months ended 30 June | |
|---|--------------|---------------------------------------|---------------------------------------|
| | | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Other income | 4 | 46,808 | 33,661 |
| Other gain and loss | | 18,306 | (6,435) |
| Depreciation | | (345) | (1,843) |
| General and administrative expenses | | (20,115) | (21,383) |
| Finance costs | 5 | (9,036) | (14,116) |
| Share of results of joint ventures | 6 | <u>307,584</u> | <u>208,727</u> |
| Profit before tax | | 343,202 | 198,611 |
| Income tax expense | 7 | <u>(52,451)</u> | <u>(18,750)</u> |
| Profit for the period | | <u>290,751</u> | <u>179,861</u> |
| Other comprehensive income (expense) for the period | | | |
| Item that will not be reclassified to profit or loss: | | | |
| Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of tax | | (10,350) | (540) |
| Item that may be reclassified subsequently to profit or loss: | | | |
| Exchange gain (loss) arising on translation of foreign operations | | <u>12,175</u> | <u>(88,349)</u> |
| | | <u>1,825</u> | <u>(88,889)</u> |
| Total comprehensive income for the period | | <u><u>292,576</u></u> | <u><u>90,972</u></u> |
| Profit for the period attributable to: | | | |
| Owners of the Company | | 286,582 | 177,149 |
| Non-controlling interests | | <u>4,169</u> | <u>2,712</u> |
| | | <u>290,751</u> | <u>179,861</u> |
| Total comprehensive income for the period attributable to: | | | |
| Owners of the Company | | 288,407 | 88,260 |
| Non-controlling interests | | <u>4,169</u> | <u>2,712</u> |
| | | <u>292,576</u> | <u>90,972</u> |
| Earnings per share | 9 | RMB cents | RMB cents |
| Basic | | <u>9.30</u> | <u>5.75</u> |

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | 31 December <u>2021</u> (Audited) RMB'000 | 30 June <u>2022</u> (Unaudited) RMB'000 |
|--|--|--|
| ASSETS | | |
| Non-current Assets | | |
| Interests in joint ventures | 4,971,183 | 5,179,910 |
| Equity instrument at fair value through other comprehensive income | 20,100 | 19,500 |
| Property and equipment | 1,768 | 1,788 |
| Right-of-use asset | 4,999 | 16,995 |
| | <u>4,998,050</u> | <u>5,218,193</u> |
| Current Assets | | |
| Deposits and prepayments | 735 | 1,582 |
| Interest and other receivables | 5,621 | 7,124 |
| Amount due from a joint venture | 263,636 | 220,141 |
| Structured deposit | 351,381 | 260,526 |
| Bank balances and cash | 1,552,319 | 1,676,337 |
| | <u>2,173,692</u> | <u>2,165,710</u> |
| Total Assets | <u><u>7,171,742</u></u> | <u><u>7,383,903</u></u> |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 270,603 | 270,603 |
| Share premium and reserves | 4,785,775 | 4,541,540 |
| Equity attributable to owners of the Company | 5,056,378 | 4,812,143 |
| Non-controlling interests | 22,107 | 24,819 |
| Total Equity | <u><u>5,078,485</u></u> | <u><u>4,836,962</u></u> |
| Non-current Liabilities | | |
| Lease liability | 3,335 | 11,444 |
| Bank loans | 1,053,922 | 1,101,623 |
| Deferred tax liabilities | 130,746 | 144,152 |
| | <u>1,188,003</u> | <u>1,257,219</u> |
| Current Liabilities | | |
| Payables and accruals | 10,857 | 9,927 |
| Lease liability | 1,674 | 6,090 |
| Bank loans | 882,353 | 930,828 |
| Dividend payables | - | 338,983 |
| Tax payables | 10,370 | 3,894 |
| | <u>905,254</u> | <u>1,289,722</u> |
| Total Liabilities | <u><u>2,093,257</u></u> | <u><u>2,546,941</u></u> |
| Total Equity and Liabilities | <u><u>7,171,742</u></u> | <u><u>7,383,903</u></u> |
| Cash and Cash Equivalents | <u><u>1,552,319</u></u> | <u><u>1,676,337</u></u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company's functional currency and presentation currency are RMB.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

| | |
|------------------------------|---|
| Amendments to IFRS 3 | Reference to the Conceptual Framework |
| Amendment to IFRS 16 | COVID-19-Related Rent Concessions beyond 30 June 2021 |
| Amendments to IAS 16 | Property, Plant and Equipment - Proceeds before Intended Use |
| Amendments to IAS 37 | Onerous Contracts - Cost of Fulfilling a Contract |
| Amendments to IFRS Standards | Annual Improvements to IFRS Standards 2018 - 2020 |

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

3. SEGMENT INFORMATION

The Group's reportable and operating segments are determined based on information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment.

Information reported to the CODM, including segment revenue, the Group's share of joint ventures' earnings before interest, tax, depreciation and amortisation and net exchange gain/loss ("EBITDA"), the Group's share of joint ventures' depreciation and amortisation including amortisation of additional cost of investments in joint ventures ("depreciation and amortisation"), the Group's share of joint ventures' interest and tax excluding tax on exchange gain/loss and including withholding tax on earnings distributed by joint ventures ("interest and tax"), and segment results. The CODM is more specifically focused on individual toll expressway projects and land development and utilisation project jointly operated and managed by the Group and the relevant joint venture partners during the period. Accordingly, the Group's reporting and operating segments under IFRS 8 "Operating Segments" are therefore as follows:

- Guangzhou - Shenzhen Superhighway ("GS Superhighway")
- Guangzhou - Zhuhai West Superhighway ("GZ West Superhighway")
- Xintang Interchange

Information regarding the above segments is reported below.

Segment revenue and results

| | Six months ended 30 June | | | | | | | | | |
|---|----------------------------|-------------------|--|-----------------------------|----------------------------|----------------------------|-------------------|--|-----------------------------|----------------------------|
| | 2021 | | | | | 2022 | | | | |
| | Segment revenue RMB'000 | EBITDA RMB'000 | Depreciation and amortisation RMB'000 | Interest and tax RMB'000 | Segment results RMB'000 | Segment revenue RMB'000 | EBITDA RMB'000 | Depreciation and amortisation RMB'000 | Interest and tax RMB'000 | Segment results RMB'000 |
| Toll expressway project | | | | | | | | | | |
| GS Superhighway | 611,697 | 562,317 | (226,488) | (121,601) | 214,228 | 491,352 | 457,350 | (195,670) | (86,199) | 175,481 |
| GZ West Superhighway | 319,468 | 292,460 | (122,399) | (82,388) | 87,673 | 256,392 | 217,481 | (91,446) | (65,850) | 60,185 |
| | <u>931,165</u> | <u>854,777</u> | <u>(348,887)</u> | <u>(203,989)</u> | <u>301,901</u> | <u>747,744</u> | <u>674,831</u> | <u>(287,116)</u> | <u>(152,049)</u> | <u>235,666</u> |
| Land development and utilisation project | | | | | | | | | | |
| Xintang Interchange | - | (3,492) | (1) | (18,422) | (21,915) | 11,901 | 2,684 | (76) | (6,707) | (4,099) |
| Total | <u>931,165</u> | <u>851,285</u> | <u>(348,888)</u> | <u>(222,411)</u> | <u>279,986</u> | <u>759,645</u> | <u>677,515</u> | <u>(287,192)</u> | <u>(158,756)</u> | <u>231,567</u> |
| Corporate interest income from bank deposits | | | | | 16,584 | | | | | 19,981 |
| Corporate investment income from structured deposits | | | | | 1,495 | | | | | 3,598 |
| Corporate interest income from loans made by the Group to a joint venture | | | | | 27,043 | | | | | 9,209 |
| Other income and other gain | | | | | 13,742 | | | | | 873 |
| Corporate general and administrative expenses and depreciation | | | | | (20,460) | | | | | (23,226) |
| Corporate finance costs | | | | | (9,036) | | | | | (14,116) |
| Corporate income tax expense | | | | | (32,938) | | | | | (6,060) |
| Net exchange gain (loss) (net of related income tax) (note) | | | | | 14,335 | | | | | (41,965) |
| Profit for the period | | | | | 290,751 | | | | | 179,861 |
| Profit for the period attributable to non-controlling interests | | | | | (4,169) | | | | | (2,712) |
| Profit for the period attributable to owners of the Company | | | | | <u>286,582</u> | | | | | <u>177,149</u> |

Note: Net exchange gain (loss) (net of related income tax) is composed of the Group's share of the net exchange loss (net of related income tax) of a joint venture of RMB35,530,000 (six months ended 30 June 2021: net exchange gain (net of related income tax) of RMB8,085,000) and the net exchange loss of the Group of RMB6,435,000 (six months ended 30 June 2021: net exchange gain of RMB6,250,000).

The segment revenue represents the Group's share of the joint ventures' toll revenue received and receivable (net of value-added tax) from the operations of toll expressways and revenue from sales of properties received and receivable (net of value-added tax) from land development and utilisation project in the PRC based on the profit-sharing ratios specified in the relevant joint venture agreements. All of the segment revenue reported above is earned from external customers.

The segment results represent (i) the Group's share of joint ventures' results from the operations of toll expressways and land development and utilisation in the PRC before net exchange gain/loss (net of related income tax) respectively based on the profit-sharing ratios and shareholding percentage specified in the relevant joint venture agreements; (ii) net of the withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures; and (iii) amortisation of additional cost of investments in joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The total segment results can be reconciled to the share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income as follows:

| | Six months ended 30 June | |
|--|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Total segment results | 279,986 | 231,567 |
| Add: | | |
| Net exchange gain (loss) (net of related income tax) | 8,085 | (35,530) |
| Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures | <u>19,513</u> | <u>12,690</u> |
| Share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income | <u>307,584</u> | <u>208,727</u> |

4. OTHER INCOME

| | Six months ended 30 June | |
|--|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Interest income from: | | |
| Bank deposits | 16,584 | 19,981 |
| Amount due from a joint venture | 27,043 | 9,209 |
| Investment income from structured deposits | 1,495 | 3,598 |
| Dividend income from equity instrument at fair value through other comprehensive income | 604 | - |
| Others | <u>1,082</u> | <u>873</u> |
| | <u>46,808</u> | <u>33,661</u> |

5. FINANCE COSTS

The amounts represent the interest on bank loans, bank charges and interest on lease liability for both periods.

6. SHARE OF RESULTS OF JOINT VENTURES

| | Six months ended 30 June | |
|---|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group and amortisation of additional cost of investments in joint ventures | 353,368 | 246,326 |
| Amortisation of additional cost of investments in joint ventures | (45,784) | (37,599) |
| Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group | (28,739) | (30,542) |
| Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group | <u>28,739</u> | <u>30,542</u> |
| | <u>307,584</u> | <u>208,727</u> |

7. INCOME TAX EXPENSE

| | Six months ended 30 June | |
|--|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| The tax charge comprises: | | |
| PRC Enterprise Income Tax ("EIT") | | |
| The Group | 9,831 | 5,284 |
| Refund of EIT of a subsidiary recognised in prior year | (5,783) | - |
| Deferred tax | <u>48,403</u> | <u>13,466</u> |
| | <u>52,451</u> | <u>18,750</u> |

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for both periods.

The EIT charge of the Group for the six months ended 30 June 2021 included an amount of RMB8,369,000 representing the 5% withholding tax imposed on dividends declared by joint ventures of the Group of which the corresponding amount had already been provided for deferred tax in prior periods in respect of undistributed earnings of a joint venture (six months ended 30 June 2022: nil).

8. DIVIDENDS

| | Six months ended 30 June | |
|--|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Dividends paid and recognised as a distribution during the period: | | |
| Final dividend for the year ended 31 December 2021 of RMB10.45 cents (equivalent to HK12.880879 cents) (six months ended 30 June 2021: for the year ended 31 December 2020 paid of RMB9.1 cents (equivalent to HK10.936835 cents)) per share | <u>281,511</u> | <u>332,495</u> |

On 4 August 2022, the board of directors of the Company have declared that an interim dividend in respect of the year ending 31 December 2022 of RMB5.75 cents (equivalent to HK6.67299 cents) per share amounting to approximately RMB177,197,000 (approximately HK\$205,641,000) shall be paid to the shareholders of the Company whose names appear on the register of members on 5 September 2022.

9. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

| | Six months ended 30 June | |
|---|---------------------------------------|---------------------------------------|
| | <u>2021</u> (Unaudited) RMB'000 | <u>2022</u> (Unaudited) RMB'000 |
| Earnings for the purposes of basic earnings per share | <u>286,582</u> | <u>177,149</u> |

| | Six months ended 30 June | |
|---|------------------------------------|------------------------------------|
| | <u>2021</u> Number of shares | <u>2022</u> Number of shares |
| Number of ordinary shares for the purpose of basic earnings per share | <u>3,081,690,283</u> | <u>3,081,690,283</u> |

No diluted earnings per share have been presented as there was no potential ordinary shares in issue during both periods.

Appendix – Unaudited Condensed Consolidated Financial Information (Prepared under proportionate consolidation method)

Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

(FOR INFORMATION PURPOSE ONLY)

| | Six months ended 30 June | |
|--|---------------------------------|------------------|
| | <u>2021</u> | <u>2022</u> |
| | RMB'000 | RMB'000 |
| Toll revenue | 931,165 | 759,645 |
| Revenue on construction | 1,953 | 6,717 |
| Turnover | 933,118 | 766,362 |
| Other income, other gain and loss (Note i) | 143,525 | 63,622 |
| Construction costs | (1,953) | (6,717) |
| Provision for resurfacing charges | (9,040) | (10,145) |
| Toll expressway operation expenses | (92,035) | (109,377) |
| General and administrative expenses | (52,180) | (52,491) |
| Depreciation and amortisation charges | (349,234) | (289,034) |
| Finance costs (Note ii) | (120,104) | (96,129) |
| Profit before tax | 452,097 | 266,091 |
| Income tax expense | (161,346) | (86,230) |
| Profit for the period | 290,751 | 179,861 |
| Profit for the period attributable to: | | |
| Owners of the Company | 286,582 | 177,149 |
| Non-controlling interests | 4,169 | 2,712 |
| | 290,751 | 179,861 |

(i) OTHER INCOME, OTHER GAIN AND LOSS

| | Six months ended 30 June | |
|--|---------------------------------|-----------------|
| | <u>2021</u> | <u>2022</u> |
| | RMB'000 | RMB'000 |
| Interest income from: | | |
| Bank deposits | 24,297 | 28,702 |
| Loans made by the Group to a joint venture | 27,043 | 9,209 |
| Imputed interest income on interest-free registered capital contributions made by the Group to a joint venture | 14,370 | 15,271 |
| Net exchange gain (loss) | 17,030 | (53,808) |
| Rental income | 14,763 | 11,541 |
| Others | 46,022 | 52,707 |
| | 143,525 | 63,622 |

(ii) FINANCE COSTS

| | Six months ended 30 June | |
|--|---------------------------------|---------------|
| | <u>2021</u> | <u>2022</u> |
| | RMB'000 | RMB'000 |
| Interest on: | | |
| Bank loans | 79,435 | 72,232 |
| Loans made by joint venture partners | 25,010 | 7,800 |
| Interest on instalment payment of land premium | 710 | 266 |
| Imputed interest on interest-free registered capital contributions made by a joint venture partner | 14,370 | 15,271 |
| Others | 335 | 486 |
| | 119,860 | 96,055 |
| Other financial expenses | 244 | 74 |
| | 120,104 | 96,129 |

Appendix – Unaudited Condensed Consolidated Financial Information (Prepared under proportionate consolidation method)

Condensed Consolidated Statement of Financial Position

As at 30 June 2022

(FOR INFORMATION PURPOSE ONLY)

| | 31 December 2021 RMB'000 | 30 June 2022 RMB'000 |
|---|--------------------------------|----------------------------|
| ASSETS | | |
| Non-current Assets | | |
| Property and equipment | 440,730 | 407,484 |
| Concession intangible assets | 8,339,889 | 8,105,392 |
| Right-of-use assets | 6,063 | 18,605 |
| Balance with a joint venture | 513,835 | 529,106 |
| Equity instrument at fair value through other comprehensive income | 20,100 | 19,500 |
| | <u>9,320,617</u> | <u>9,080,087</u> |
| Current Assets | | |
| Inventories | 803,725 | 866,870 |
| Deposits and prepayments | 16,563 | 36,109 |
| Interest and other receivables | 112,538 | 121,955 |
| Loans made by the Group to a joint venture | 263,636 | 220,141 |
| Structured deposit | 351,381 | 260,526 |
| Pledged bank balances and deposits of joint ventures | 284,002 | 605,179 |
| Bank balances and cash | | |
| - The Group | 1,552,319 | 1,676,337 |
| - Joint ventures | 84,556 | 98,157 |
| | <u>3,468,720</u> | <u>3,885,274</u> |
| Total Assets | <u>12,789,337</u> | <u>12,965,361</u> |
| EQUITY AND LIABILITIES | | |
| Capital and Reserves | | |
| Share capital | 270,603 | 270,603 |
| Share premium and reserves | 4,785,775 | 4,541,540 |
| Equity attributable to owners of the Company | 5,056,378 | 4,812,143 |
| Non-controlling interests | 22,107 | 24,819 |
| Total Equity | <u>5,078,485</u> | <u>4,836,962</u> |
| Non-current Liabilities | | |
| Bank and other loans | | |
| - The Group | 1,053,922 | 1,101,623 |
| - Joint ventures | 3,292,534 | 3,228,675 |
| Balance with a joint venture partner | 513,785 | 529,055 |
| Resurfacing obligations | 276,056 | 286,201 |
| Deferred tax liabilities | 295,099 | 297,444 |
| Lease liabilities | 3,796 | 470 |
| Other non-current liabilities | 184,954 | 181,563 |
| | <u>5,620,146</u> | <u>5,625,031</u> |
| Current Liabilities | | |
| Provision, other payables, accruals and deposits received | 631,650 | 617,374 |
| Lease liabilities | 2,297 | 19,232 |
| Dividend payable | - | 338,983 |
| Bank loans | | |
| - The Group | 882,353 | 930,828 |
| - Joint ventures | 220,491 | 307,550 |
| Loans made by joint venture partners | 262,920 | 210,379 |
| Other interest payable | 4,878 | 13,873 |
| Tax liabilities | 86,117 | 65,149 |
| | <u>2,090,706</u> | <u>2,503,368</u> |
| Total Liabilities | <u>7,710,852</u> | <u>8,128,399</u> |
| Total Equity and Liabilities | <u>12,789,337</u> | <u>12,965,361</u> |

GLOSSARY

| | |
|----------------------------------|---|
| “2013/14” | the year ended 30 June 2014 |
| “2014/15” | the year ended 30 June 2015 |
| “2015/16” | the year ended 30 June 2016 |
| “2016/17” | the year ended 30 June 2017 |
| “2017/18” | the year ended 30 June 2018 |
| “2H 2018” | the six months ended 31 December 2018 |
| “2019” | the year ended 31 December 2019 |
| “2020” | the year ended 31 December 2020 |
| “2021” | the year ended 31 December 2021 |
| “1H 2021” | the six months ended 30 June 2021 |
| “1H 2022” | the six months ended 30 June 2022 |
| “Audit Committee” | the audit committee of the Company |
| “Bay Area” | Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC |
| “Board” | the board of Directors of the Company |
| “CG Code” | Corporate Governance Code contained in Appendix 14 to the Listing Rules |
| “Company” | Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company incorporated in the Cayman Islands with limited liability |
| “COVID-19 pandemic” | coronavirus disease (COVID-19) pandemic |
| “Director(s)” | director(s) of the Company |
| “EBITDA” | earnings before interest, tax, depreciation and amortisation (before net exchange gain/loss) |
| “EIT” | enterprise income tax |
| “full-length equivalent traffic” | the total distance travelled by all vehicles on the expressway divided by the full length of the expressway |
| “GDP” | gross domestic product |
| “GPCG” | Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction, Lealu Investment and Leaxin Investment) |
| “Guangdong Highway Construction” | Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC |
| “Group” | the Company and its subsidiaries |
| “GS JV” | Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture established for the GS Superhighway |
| “GS Superhighway” | Guangzhou-Shenzhen Superhighway |

| | |
|---------------------------------|---|
| “GZ West JV | Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the GZ West Superhighway |
| “GZ West Superhighway” | Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route |
| “HK\$”, “HKD” or “HK Dollar(s)” | Hong Kong Dollars, the lawful currency of Hong Kong |
| “Hong Kong” or “HKSAR” | the Hong Kong Special Administrative Region of the PRC |
| “HZM Bridge” | the Hong Kong-Zhuhai-Macao Bridge |
| “JV(s)” | joint venture(s) |
| “km” | kilometre(s) |
| “Lealu Investment” | Guangzhou Lealu Investment Company Limited* (廣州利路實業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of GPCG |
| “Leaxin Investment” | Guangzhou Leaxin Investment Company Limited* (廣州利新實業投資有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of GPCG |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Macao” or “Macao SAR” | the Macao Special Administrative Region of the PRC |
| “Mainland China” | the PRC, excluding Hong Kong and Macao |
| “Model Code” | the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules |
| “net toll revenue” | toll revenue after related tax |
| “Nomination Committee” | the nomination committee of the Company |
| “Outline Plan” | the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area |
| “Parties” | collectively, Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, and each a “Party” |
| “PRC” | the People’s Republic of China |
| “PRD” | Pearl River Delta |
| “Project Land” | the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, as disclosed in the Company’s announcement dated 29 November 2019 |
| “Remuneration Committee” | the remuneration committee of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Shenwan Infrastructure” | Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建(深圳)有限公司), a company established in the PRC with limited liability established by the Company for the purpose of investing into the Xintang JV |

| | |
|---------------------------|---|
| “Shenzhen Expressway” | Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548) |
| “Shenzhen International” | Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00152) |
| “Shenzhen Run Investment” | Shenzhen Run Investment Consulting Co., Ltd.* (深圳市潤投諮詢有限公司), a company established in the PRC with limited liability |
| “SIHC” | Shenzhen Investment Holdings Co., Ltd* (深圳市投資控股有限公司), incorporated in the PRC with limited liability, the ultimate controlling shareholder of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Target Company” | Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd (深圳投控國際資本控股基建有限公司), incorporated in the British Virgin Islands with limited liability |
| “toll revenue” | toll revenue including tax |
| “Total Upper Limit” | The maximum total amount of contribution (whether by way of registered capital, shareholders’ loans, or in any other nature) by the Parties to Xintang JV shall not exceed RMB6.8 billion, as disclosed in the Company’s announcement dated 10 September 2020 |
| “US” | the United States of America |
| “USD” or “US Dollar(s)” | United States Dollars, the lawful currency of the United States of America |
| “Xintang JV” | Guangzhou Zhentong Development Company Limited* (廣州臻通實業發展有限公司), a joint venture established in the PRC for the development of the Project Land, the equity interest of which is currently held as to 15%, 20%, 5% and 60% by Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment respectively |
| “YoY” | year-on-year |

As at the date of this announcement, the Board comprises five Executive Directors namely, Mr. Wei HU (Chairman), Mr. Tianliang ZHANG* (General Manager), Mr. Jianming WU* (Executive General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); two Non-executive Directors namely, Mr. Junye CAI* and Mr. Weiguo ZONG*; and four Independent Non-executive Directors namely, Mr. Brian David Man Bun LI, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*.*

** For identification purpose only*