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 2019

Highlights

- Driven by the continuous growth in net toll revenue and traffic of the GZ West Superhighway, the Group's share of its net profit increased by 30% YoY to RMB96 million
- Due to the impact of traffic diversion and construction in progress, the net toll revenue and net profit of the GS Superhighway both decreased YoY
- The Group's net profit increased by 2% YoY to RMB303 million, mostly benefiting from the decrease in exchange loss
- GZ West JV is expected to distribute dividend in cash to the Group starting from 2020
- The interim dividend for 2019 is RMB9.8 cents (equivalent to HK10.971394 cents) per share, and the Group believes that its target payout ratio of 100% on a full-year basis is sustainable
- During the period under review, the name of the Company was changed to "Shenzhen Investment Holdings Bay Area Development Company Limited 深圳投控灣區發展有限公司"
- A strategic cooperation framework agreement was entered with China Vanke Co., Ltd.* (萬科企業股份有限公司) in June 2019, in relation to the intensive development and utilization study of the land along the GS Superhighway traffic route

**For identification purpose only*

BUSINESS REVIEW

General Business Performance

Aggregate average daily toll revenue generated by the GS Superhighway and the GZ West Superhighway (also known as the "Western Delta Route") in the first half of 2019 amounted to RMB12.69 million, largely flat YoY as compared to the corresponding period last year, whereas the total toll revenue was RMB2.296 billion.

During the period under review, the average daily toll revenue and average daily full-length equivalent traffic of the GS Superhighway fell by 4% and 3% YoY to RMB8.73 million and 98,000 vehicles respectively, mainly due to traffic diversion and construction in progress. Some of the vehicles selected new routes as several roads in the adjacent areas were successively opened to traffic in 2018, the average daily toll revenue generated by the GS Superhighway therefore started to decline YoY since the second half of 2018, while impact from traffic diversion sustained during the period under review. In addition, due to impact on road traffic resulting from maintenance and landscape improvement works on the Xintang-Machong section and Shenzhen section of the GS Superhighway during the period, some vehicles were diverted to other roads.

The GZ West Superhighway continued to maintain growth, its average daily toll revenue and average daily full-length equivalent traffic reached RMB3.95 million and 56,000 vehicles during the period under review, increasing by 7% and 10% YoY respectively. Growths in toll revenue and traffic volume declined, as vehicles previously diverted to the GZ West Superhighway returned to Foshan Ring Road due to withdrawal of the truck restrictions imposed on Foshan Ring Road since 2019.

During the period under review, the Group's shared aggregate net toll revenue stayed flat YoY at RMB1.038 billion. Contributions from the GS Superhighway and the GZ West Superhighway were 67% and 33% respectively.

Year	*1H 2018*	***1H 2019***	*% Change*
At JV level			
GS Superhighway			
Average daily toll revenue# (RMB '000)	9,065	**8,733**	-4%
Average daily full-length equivalent traffic* (No. of vehicles '000)	101	**98**	-3%
GZ West Superhighway			
Average daily toll revenue# (RMB '000)	3,678	**3,952**	+7%
Average daily full-length equivalent traffic* (No. of vehicles '000)	51	**56**	+10%

Including tax

* 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 number of days in the period under review. It can better reflect road usage as it takes into account total travelling distance by all vehicles on the expressway and is a standard operational statistic used throughout the industry

Operating Environment

Mainland China maintained stable economic development

Signs of slowing economic growths could be seen around the globe since the second half of 2018, sustained global instability and ups and downs in the China-US trade talks heightened risks for economic downturn. In response to such economic conditions, the US Federal Reserve left the interest rates unchanged during the first half of 2019, while the Chinese government introduced a series of measures to reduce tax, stimulate consumption and accelerate investments in infrastructure, with a view to minimising its exposure to uncertainties in the external environment and maintaining a steady economic growth within the target range. In the first half of 2019, underpinned by the combined influence of internal and external factors, the GDP of Mainland China and Guangdong Province grew by 6.3% and 6.5% respectively, maintaining a stable development momentum.

In the first half of 2019, the number of vehicles sold in the Mainland China market was about 12 million, representing a decline as compared to that recorded in 2018. In order to spur consumption, the government launched several supportive measures, such as providing appropriate subsidies for vehicle purchases. In addition, an aggregate quota of 180,000 vehicles will be added to the current basic annual quota of 200,000 vehicles for private cars in Guangzhou and Shenzhen during the period from June 2019 to the end of 2020. These measures are expected to play a positive role in the market.

Growth opportunities generated by the Guangdong-Hong Kong-Macao Greater Bay Area (the "Bay Area")

With the official promulgation of the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area (the "Outline Plan") by the State Council of the PRC on 18 February 2019, the strategic positioning and development objectives for the Bay Area have been confirmed. It is planned that a fundamental framework will have been established for developing an international first-class bay area and a world-class city cluster by 2022. Going forward, the Bay Area aims to build an innovation-driven economy and development model, strengthen the efficiency for an inter-area connection between manufacturing resources and the marketplace, as well as improve life quality and ecological environment, with a view to driving regional economic development and contributing to national growth. Hong Kong, Macao, Guangzhou and Shenzhen are designated as the four core cities within the plan, serving as key engines for regional development. Building on their distinctive strengths and characteristics, these cities will increase their competitiveness and drive the development of nearby regions, so as to play a proactive role in building the Bay Area.

Comprising nine cities (namely Guangzhou, Shenzhen, Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing) in the PRD, as well as two special administrative regions (that is, Hong Kong and Macao), the Bay Area is measured about 56,000 square km in total area. Its population totalled about 71 million in 2018. Both figures have ranked the Bay Area higher than other world-known peers such as New York bay area, Tokyo bay area and San Francisco bay area. These facts have also hinted its enormous growth potential. According to the figures, the Bay Area achieved in 2018 a GDP of near RMB11 trillion, accounting for more than 12% of Mainland China's GDP. Being one of the most dynamic regions in China, it undoubtedly has high growth potential.

Guangdong-Hong Kong-Macao Greater Bay Area

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

Remark: Gross domestic product of Hong Kong and Macao are calculated based on annual average exchange rates

To drive implementation of the Outline Plan, Guangdong Province announced relevant implementation opinions and a 3-year action plan in early July 2019. In terms of industry development, it is proposed in the document to push forward development of the Guangzhou-Shenzhen-Hong Kong-Macao Corridor of Science, Technology and Innovation; to enable the mobility of key factors of innovation and the intercommunication among technology facilities while establishing cross-boundary cooperation platforms through science parks, high-tech industrial development zones and high-tech industrial bases along the corridor; and to set up 3 key cooperation zones for scientific innovation in the boundary district between Shenzhen and Hong Kong, Hengqin New Zone and Nansha District. Guangdong Province has also announced certain measures to promote scientific innovation, focusing on providing support in areas such as construction planning, land approval, funding arrangements and talent policies to attract and retain outstanding talents in the Bay Area, including introduction of more educational and research institutes, optimisation of visa arrangements for talents in Mainland China and the special administrative regions and provision of tax concessions. In terms of transport, it is proposed in the document to build a rapid intercity transport network, to enhance transport link between the eastern and western banks of the Pearl River, to put key cities in the Bay Area within a one-hour commute of each other, and to accelerate the expansion works at busy sections of certain state-level expressways, such as the Beijing-Hong Kong-Macao Expressway. Furthermore, the government will also work on measures to allow all private cars in Hong Kong and Macao to travel to and from Mainland China via border crossings of the HZM Bridge. In anticipation that cities within the Bay Area will be introducing their own action plans to set out specifics for implementing the Outline Plan, the Group will pay close attention to relevant opportunities for further promoting its business development.

The network of expressways in the Bay Area is gradually improving to better serve the cities in the region. Being one of the key infrastructure projects, the HZM Bridge, measured about 42 km in length, has significantly shortened the distance of land traffic from Zhuhai and Macao to Hong Kong after its commencement, and has reduced the travel time between Zhuhai and Hong Kong International Airport to about 45 minutes from about 4 hours. Vehicles from Guangzhou, Foshan, Zhongshan and Zhuhai can quickly reach the HZM Bridge via the GZ West Superhighway and its feeder highways. Officially commissioned on 2 April 2019, the 13 km-long Nansha Bridge is another important cross-river passage in the Bay Area. Through significant improvement in the interconnection among road networks at both banks of the Pearl River, it will prove beneficial to traffic growth for the Bay Area in the long run. As the economies in the Bay Area keep growing, its traffic volume will also increase, adding that the expansion of the GS Superhighway has been mentioned in the Outline Plan and will be pushed ahead gradually, the operating performance of the GS Superhighway and the GZ West Superhighway are thus expected to benefit in the years to come, since they are located at the centre of the Bay Area expressway network.

Latest Updates on Industry Policies

Removal of provincial boundary expressway toll stations

In its Government Work Report 2019, the State Council of the PRC proposed to achieve swift non-stop toll collection through the removal of most provincial boundary expressway toll stations nationwide within two years. In line with the national plan, Department of Transportation of Guangdong Province published its implementation plan in June 2019, aiming to complete relevant works by the end of the year. Based on this implementation plan, significant adjustments will be made to the toll collection mode of expressways, major changes include (1) switching from the former mode where one-off tariffs are collected at toll station exits to sectional tariffs based on actual driving route; (2) enhancing the effort in promoting Electronic Toll Collection ("ETC") to increase the proportion of ETC-installed vehicles to over 90% by the end of 2019; (3) adjusting toll collection mode for trucks from the former toll-by-weight basis to one where tariff rates are determined based on vehicle type. Under the new toll collection mode, not only will manpower need be lowered for entries and exits of toll stations to help save on staff costs in the long run, vehicles will also enjoy faster access to expressways and improved service quality.

Adjustment to ETC discount

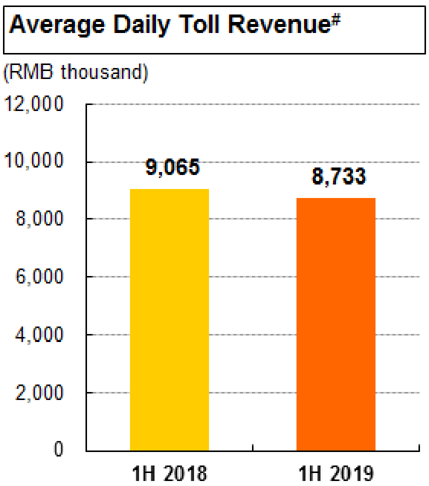
In order to accelerate the promotion of ETC usage, Guangdong Province has adjusted toll discount for vehicles using ETC payment cards on expressways within the province to align with the national standard, increasing the discount rate from the current 2% to 5%, effective from 1 July 2019. During the first half of 2019, tolls collected through means of ETC payment cards on the GS Superhighway and the GZ West Superhighway accounted for approximately 45% of the overall toll revenue.

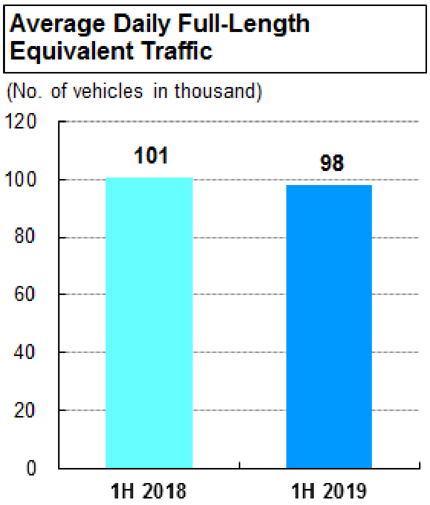
Adjustment to Vehicle Classification of the Toll for Highway

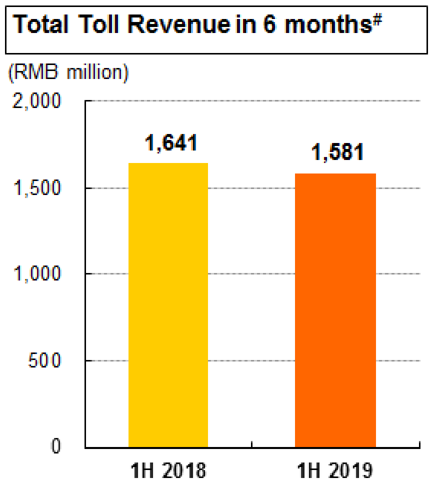
On 30 May 2019, Ministry of Transportation of the PRC published the new industry standard on Vehicle Classification of the Toll for Highway to replace the one issued in 2003. Based on this latest industry standard, vehicles are classified into three main types: namely passenger vehicles, goods vehicles (or trucks) and special motor vehicles. By authorised passenger capacity, passenger vehicles are further classified into four types. Those with a passenger capacity of 8 to 9 are reclassified to Class 1 from the current Class 2 while classifications of other passenger vehicles remain unchanged. Trucks and special motor vehicles are classified into six types by total number of axles, vehicle length and maximum authorised total weight. Tariff standard for expressways within Guangdong Province will be revised based on the new standard on vehicle classification and then be implemented in January 2020. During the first half of 2019, toll revenue from Class 2 passenger vehicles of the Company's two projects accounted for approximately 1% of the overall toll revenue. Impact of the revision to the classification of passenger vehicles on toll revenue is expected to be minimal. For trucks, the switch from toll-by-weight to toll-by-vehicle-type is essentially a return to the toll collection mode before 2014. Tariff rates for trucks by vehicle type are yet to be released by relevant governmental authorities.

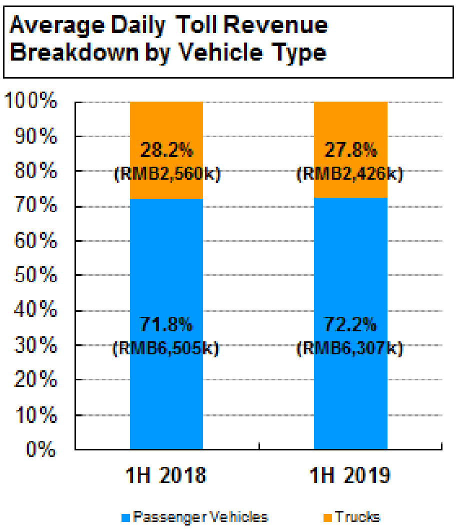
GS Superhighway

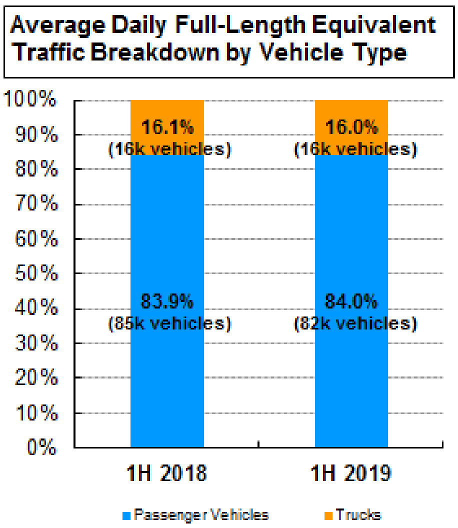
The GS Superhighway is a main expressway connecting the three major cities — Guangzhou, Dongguan and Shenzhen in the PRD region to Hong Kong. The economies of cities along the expressway are well developed and growing steadily. The GDP of Guangzhou, Dongguan and Shenzhen rose 7.1%, 6.9% and 7.4% respectively in the first half of 2019, providing solid support for traffic volume of the GS Superhighway. During the period under review, the average daily toll revenue of the GS Superhighway fell 4% YoY to RMB8.73 million. Its total toll revenue for the period amounted to RMB1.581 billion. Its average daily full-length equivalent traffic fell 3% YoY to 98,000 vehicles. The decrease in toll revenue was larger than that in full-length equivalent traffic, mainly due to reduced proportion of truck traffic, which resulted in a decrease in average toll revenue per vehicle. Passenger vehicles were the major contributors to toll revenue and traffic volume, accounting for 72.2% and 84.0% of the toll revenue and full-length equivalent traffic of the GS Superhighway respectively.











Including tax

Several roads located near the Guangzhou and Dongguan sections of the GS Superhighway were commissioned during 2018, including the Guangzhou Northern Third Ring Road, Phase II of the Dongguan Ring Road and the west extension of Guangzhou-Huizhou Expressway, which were successively opened to traffic in January 2018, February 2018 and October 2018, respectively. The commission of aforesaid roads further enhanced the connectivity of road networks and allowed road users more options, thereby diverting some traffic for the GS Superhighway, whose impact sustained during the period under review. Based on our past experience, the YoY impact of traffic diversion will gradually diminish, as the overall traffic in the area continues to grow. Meanwhile, from 1 March 2018 to 31 December 2020, the Shenzhen section of the Coastal Expressway, which runs parallel to the Xinqiao-Nantou section of the GS Superhighway, offers a 50% toll discount to trucks using this section. Its implementation also posed a negative impact onto the GS Superhighway's truck traffic.

In January 2019, a vessel collision happened at one of the channel bridges in the Xintang-Machong section of the GS Superhighway. As a result, a main lane and an emergency lane in both northbound and southbound directions of the section had to be partially closed in phases for repair. The 2-month repair works were executed in the first quarter of 2019. As traffic diversion was implemented simultaneously during the construction period, some of the vehicles traveling through this section had to be diverted to other roads. Furthermore, in order to improve driving experience for road users, the Shenzhen and Dongguan sections of the GS Superhighway undertook landscape improvement works from the end of August 2018 and mid-March 2019, respectively. During the construction period, certain parts of the driving lanes were closed in phases, which also intermittently affected traffic.

Commissioned in April 2019, the Nansha Bridge is another important passage crossing the Pearl River in addition to the Humen Bridge. For vehicles traveling across the Pearl River, they can travel to and from the Nansha Bridge via the newly opened Houjienan interchange of the GS Superhighway and the Dongguan-Panyu Expressway, as well as to and from the Humen Bridge via the Taiping interchange of the GS Superhighway. Commission of the Nansha Bridge has enhanced traffic connectivity and efficiency across the Pearl River, thereby resulting in an overall positive effect on the toll revenue and traffic volume of the GS Superhighway.

The Land Resources and Planning Bureau of Zengcheng District of Guangzhou issued a public consultation[N1] in mid-2018 on the change to the use of the mandatory planned land located at Xintang interchange in the Guangzhou section of the GS Superhighway. It was proposed to change the land use from for roads only to for both roads and Type II residential. Total land area and gross floor area of the land plot aiming at Type II residential development are about 230,000 square metres and 690,000 square metres respectively. The consultation period had come to an end. Xintang interchange will be reconstructed to vacate partial land plots for residential development if the proposed plan is implemented. The government will resume the vacated land plots in accordance with relevant laws and regulations before putting them up for bidding and auction. Since the GS JV holds the land rights of Xintang interchange, it has worked out an initial plan for its reconstruction so as to be entitled to cash compensation from the government.

[N1] Details of the consultation were published on the website of the Land Resources and Planning Bureau of Zengcheng District of Guangzhou.

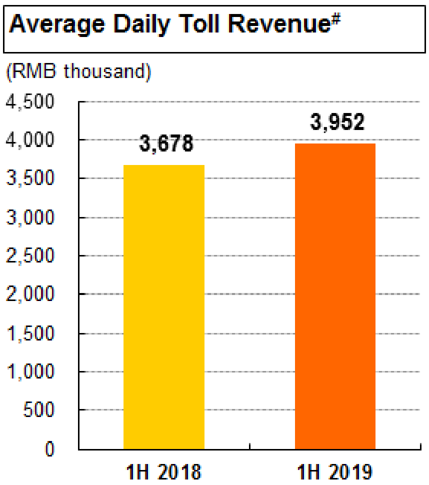
As the Outline Plan has been promulgated, local governments are expected to further optimize the land use planning for infrastructure and city development. The GS Superhighway, running through Guangzhou, Dongguan and Shenzhen, being 122.8 km in length with approximately 28,000 mu of acquired land for road construction purpose (or approximately 18 million square metres) and in possession of 23 toll stations or interchanges, has several interchanges with similar design and land scope as Xintang interchange. These interchanges can be studied for land use change by local governments to facilitate their new urban planning. The Company is currently exploring the development mode of land at Xintang interchange and other possible parcels of land along the GS Superhighway with Guangdong Provincial Highway Construction Company Limited (the partner for GS JV) to strive for the opportunities of integrated development and realisation of value for GS Superhighway's stock of land alongside, as well as arriving at a win-win solution on the implementation of land use plan through coordination with local governments. The Company had entered into a strategic cooperation framework agreement with China Vanke Co., Ltd. on 18 June 2019 to carry out all-round strategic cooperation in relation to the development and utilization study of the land and project cooperation along the GS Superhighway traffic route and other land development projects designated by the Company. By leveraging on respective financial and technical resources and expertise of each other, both parties will achieve comprehensive cooperation in infrastructure construction in aspects such as smart cities, smart parks and intelligent transportation. Details of strategic cooperation framework agreement were set out in the announcement of the Company dated 18 June 2019.

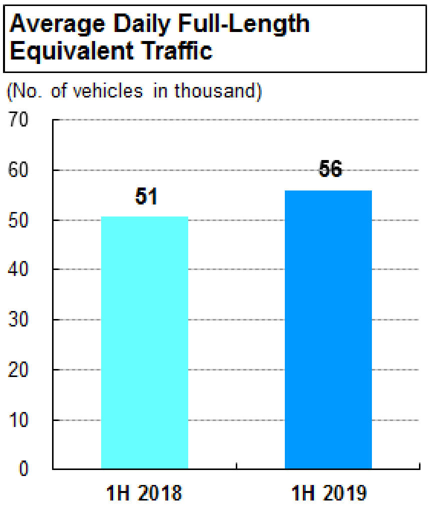
Acceleration of expansion works at busy sections of certain state-level expressways, such as the Beijing-Hong Kong-Macao Expressway, has been specified in the Outline Plan, according to which the expansion of the GS Superhighway will be pushed ahead. The GS JV has already carried out a feasibility study on road expansion, so as to improve traffic efficiency as well as land utilisation by increasing the number of traffic lanes on the main alignment and optimising interchange design and land use layout.

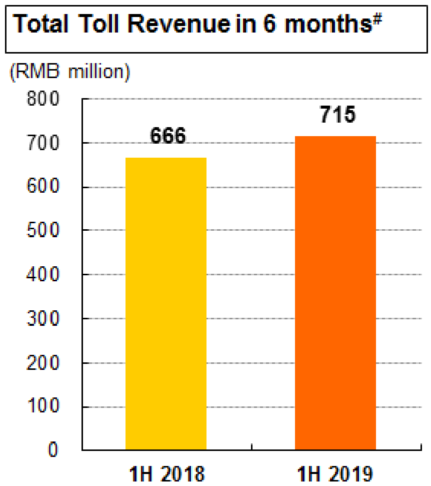
GZ West Superhighway

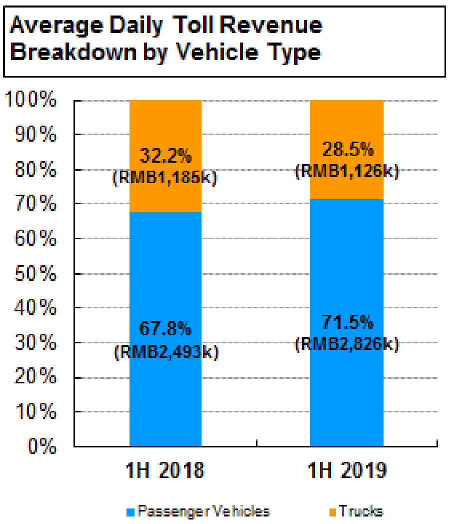
The GZ West Superhighway runs from north to south along the central axis of western PRD, connecting four major cities, namely Guangzhou, Foshan, Zhongshan and Zhuhai. It is the main expressway artery between the city centres of Guangzhou and Zhuhai, and it offers the most convenient access to Hengqin, Macao and Hong Kong through its connection with the Second Hengqin Bridge, the Zhuhai Link Road and the HZM Bridge respectively.

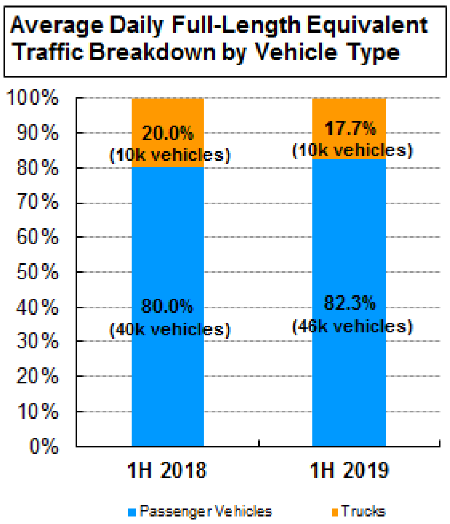
During the period under review, GZ West Superhighway's average daily toll revenue and average daily full-length equivalent traffic rose 7% and 10% YoY respectively to RMB3.95 million and 56,000 vehicles. Meanwhile, its total toll revenue for the period amounted to RMB715 million. The increase in toll revenue was lower than that in full-length equivalent traffic, mainly due to reduced proportion of truck traffic, which resulted in a decrease in average toll revenue per vehicle. Passenger vehicles were the major contributors to toll revenue and traffic volume, accounting for 71.5% and 82.3% of the GZ West Superhighway's toll revenue and full-length equivalent traffic respectively. The GZ West Superhighway runs through four major cities on the west bank of the Pearl River, namely Guangzhou, Foshan, Zhongshan and Zhuhai, which recorded a GDP growth of 7.1%, 6.9%, 0.9% and 7.0% respectively in the first half of 2019. The economies in these cities remained robust with the exception of Zhongshan experiencing an economy slowdown, thereby supporting continuous traffic growth of the GZ West Superhighway.











Including tax

Foshan Ring Road is a major local road of Foshan city located close to the northern end of the GZ West Superhighway. During the period between the second half of 2017 and 2018, restrictions banning trucks from going through its main alignment was imposed. As a result, some trucks were diverted to the GZ West Superhighway, leading to an increase in its traffic volume. As these traffic control measures came to an end in 2019, growth in toll revenue and traffic volume of the GZ West Superhighway fell correspondingly. In addition, it is proposed that Foshan Ring Road will be converted from a toll-free local road into a toll expressway in the fourth quarter of 2019 to connect with Guangzhou-Zhongshan-Jiangmen Expressway and Jiangmen-Zhuhai Expressway, forming an expressway corridor that runs mostly parallel to the GZ West Superhighway, linking up Foshan, Jiangmen and western Zhuhai. The Group will pay close attention to the impact of its commission on the GZ West Superhighway.

Officially commissioned on 2 April 2019, the Nansha Bridge is connected with the Guangzhou Second Ring Expressway at its western end and Dongguan-Panyu Expressway at its eastern end. Vehicles can gain quick access to the Guangzhou Second Ring Expressway and the Nansha Bridge via the Shunde East interchange of the GZ West Superhighway. Compared with another passage crossing the Pearl River – Humen Bridge, vehicles driving across the Pearl River through the Nansha Bridge can travel to and fro major cities on the west bank much faster via the GZ West Superhighway, which will contribute to the sustainable growth in its traffic volume.

The GZ West Superhighway is the main expressway artery between Guangzhou and Zhuhai, and offers an effective access to the Hengqin New Zone and the HZM Bridge through its connection with the expressway networks in Zhuhai. The Zhuhai Government approved on 6 September 2018 the Hengqin New Zone and Free Trade Zone, Hongwan, Wanzai Regional Integration Development Plan. Under the plan, the Hengqin New Zone and its adjacent northern area will be incorporated as part of the development plan, so that the total area under development will be expanded to about 161 square km. The plan aims at developing the territory into a new city centre in Zhuhai, while building an important economic zone that will drive regional development through strengthened cooperation among Guangdong, Hong Kong and Macao. Entering 2019, the State Council of the PRC approved the Construction Plan for Hengqin International Recreation Island and published the same in April, further clarifying the positioning of Hengqin New Zone's development. It is to be developed into an international recreation island through a joint effort in tourism development with Macao, the introduction of tourism and recreational projects and businesses with an international presence, and the cultivation of a diversified tourism ecosystem. The development of Hengqin New Zone is bound to stimulate transport demand and add momentum to the growth in traffic volume for the GZ West Superhighway.

Commissioned in 2018, the HZM Bridge now already handles an average daily cross-boundary traffic volume of close to 5,000 vehicles. In April 2019, the Guangdong and Hong Kong governments announced to increase the quota for Guangdong-Hong Kong cross-boundary private cars using the HZM Bridge border crossing by 4,500. This brings the total quota for Guangdong-Hong Kong cross-boundary private cars from 11,000 to 15,500, with that for cross-boundary coaches remaining at 150. Meanwhile, cross-boundary trucks are granted access without quota or application. In order to further boost utilisation of the HZM Bridge, all of the approximately 33,000 cross-boundary private cars allowed to use other land border crossings can also access the HZM Bridge without the need to go through additional procedures for two years since April 2019. Relying on economic development in the region and increased usage figures of the HZM Bridge, the GZ West Superhighway is expected to see a corresponding increase in its traffic volume.

FINANCIAL REVIEW

The Group's unaudited interim results for the six months ended 30 June 2019 were as follows:

RMB million	Six month ended 30 June									
	2018					**2019**				
	Net toll revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	**Net toll revenue**	**EBITDA**	**Depreciation and amortisation**	**Interest and tax**	**Results**
Group's share										
Project contributions:										
GS Superhighway [Note 1]	717	647	(226)	(160)	261	**691**	**607**	**(217)**	**(154)**	**236**
GZ West Superhighway	323	291	(112)	(105)	74	**347**	**313**	**(119)**	**(98)**	**96**
Total	1,040	938	(338)	(265)	335	**1,038**	**920**	**(336)**	**(252)**	**332**
YoY change						**-0.2%**	**-2%**	**-0.6%**	**-5%**	**-1%**
Corporate level:										
Bank deposits interest income					8					**1**
Other income					-					**3**
General and administrative expenses and depreciation					(16)					**(21)**
Finance costs					(0)					**(0)**
Income tax expenses					-					**(1)**
Sub-total					(8)					**(18)**
Profit before net exchange loss (after deduction of related income tax)					327					**314**
YoY change										**-4%**
Net exchange loss (after deduction of related income tax)					(25)					**(7)**
Profit for the period					302					**307**
Profit attributable to non-controlling interests					(5)					**(4)**
Profit attributable to owners of the Company					297					**303**
YoY change										**+2%**

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

During the period under review, the Group's share of the net toll revenue of the two projects (i.e. the GS Superhighway and the GZ West Superhighway) totalled RMB1.038 billion, a slight decrease of 0.2% compared with the corresponding period of last year, of which, 67% was contributed by the GS Superhighway and 33% was contributed by the GZ West Superhighway. Mainly due to the impact of traffic diversion from roads newly opened near the GS Superhighway and partial closure of a main lane and an emergency lane of the Xintang-Machong section for repair in the first quarter, the Group's share of the net toll revenue of the GS Superhighway decreased by 4% from RMB717 million for the corresponding period of last year to RMB691 million. In contrast, the GZ West Superhighway continued to record growth. The Group's share of its net toll revenue increased to RMB347 million, an increase of 7% compared with RMB323 million for the corresponding period of last year.

The Group's share of the aggregate EBITDA of its two toll expressways (excluding exchange differences on the GS JV's US Dollar and HK Dollar loans, net of related income tax) decreased by 2% from RMB938 million for the corresponding period of last year to RMB920 million. The rise in the GZ West Superhighway's toll revenue led to a 8% growth in the Group's share of its EBITDA from RMB291 million for the corresponding period of last year to RMB313 million, which partially offset the impact of the decrease in the Group's share of the EBITDA of the GS JV due to decrease in toll revenue and increase in repair and maintenance costs.

The Group's share of depreciation and amortisation charges of the GS JV decreased by 4% from RMB226 million for the corresponding period of last year to RMB217 million, primarily as a result of the decrease in full-length equivalent traffic of the GS Superhighway. With healthy growth in full-length equivalent traffic of the GZ West Superhighway, its depreciation and amortisation charges also increased. Driven by these two factors, the Group's share of aggregate depreciation and amortisation charges decreased slightly by 0.6% to RMB336 million, compared to RMB338 million for the corresponding period of last year.

During the period under review, the applicable EIT rate for both the GS JV and the GZ West JV was 25%. The Group's share of tax expenses of the GS JV also decreased due to the effect of the decrease in toll revenue, which led to a 4% decrease in the Group's share of the interest and tax expenses of the GS JV from RMB160 million for the corresponding period of last year to RMB154 million. The interest expenses of the GZ West JV further decreased as a result of further prepayment of bank loan principals totalling RMB395 million (JV level) by surplus cash of the GZ West JV during the period under review. The Group's share of interest and tax expenses of the GZ West JV decreased by 7% from RMB105 million for the corresponding period of last year to RMB98 million. The Group's share of the aggregate interest and tax of its two expressway projects amounted to RMB252 million, a decrease of 5% as compared to RMB265 million for the corresponding period of last year.

Due to the impact of decrease in toll revenue and increase in repair and maintenance costs of the GS Superhighway, the Group's share of net profit of the GS JV decreased to RMB236 million, a decrease of 10% as compared to RMB261 million for the corresponding period of last year. However, driven by the continuous growth in toll revenue and traffic of the GZ West Superhighway, the Group's share of its net profit increased by 30% from RMB74 million to RMB96 million. The total net profit of these two expressway projects (excluding exchange differences on the GS JV's US Dollar and HK Dollar loans, net of related income tax) decreased slightly by 1% to RMB332 million, as compared to RMB335 million for the corresponding period of last year.

Interest income at the corporate level decreased from RMB8 million for the corresponding period of last year to RMB1 million. The Group started to work on improving and reorganising its internal corporate structure following the completion of the disposal of the entire 66.69% equity interest in the Group held by Hopewell Holdings Limited on 4 April 2018. As a result, general and administrative expenses and depreciation increased from RMB16 million for the corresponding period of last year to RMB21 million. Overall, loss at the corporate level also increased from RMB8 million for last year to RMB18 million.

The Group's profit before net exchange loss net of related income tax decreased by 4% from RMB327 million for the corresponding period of last year to RMB314 million. However, net exchange loss (including exchange loss on the GS JV's US Dollar and HK Dollar loans shared by the Group) significantly decreased to RMB7 million during the period under review, as compared to net exchange loss of RMB25 million recorded for the corresponding period of last year. As a result, profit attributable to owners of the Company increased by 2% from RMB297 million to RMB303 million (or RMB9.84 cents per share).

The Group believes that our results for the coming year will continue to be supported by the healthy core operations of the GS Superhighway and the GZ West Superhighway, as well as the fall in the latter's interest expenses. However, the fluctuating exchange rates of RMB may have a negative impact on the GS JV's US Dollar and HK Dollar loans. For every 1% depreciation in RMB, the Group's net profit will drop by approximately RMB9 million. Overall, the Group remains cautiously optimistic about its future performance: (i) the GZ West Superhighway has been achieving healthy growth since opening and will continue to benefit from the prosperous economic and road network developments, including the HZM Bridge which opened in October 2018 and the economic development in the Guangdong-Hong Kong-Macao Greater Bay Area; (ii) the GZ West JV utilised its surplus cash to prepay bank loan principals before their maturities, which is expected to result in a continuous decrease in its interest expense; and (iii) the stabilising interest rates of the US dollar will bring benefits.

In light of our healthy financial position, the Board believes that the Group’s target payout ratio of 100% on a full-year basis is sustainable. The Group expects to receive net dividend after tax of approximately RMB600 million from the GS JV in the year 2019, of which RMB256 million was received during the six months ended 30 June 2019, providing solid bases for the Group’s dividend payment. Moreover, in view of the healthy growth in toll revenue of the GZ West Superhighway, it is expected that the GZ West JV will be able to distribute dividend in cash to the Group starting from 2020.

The financial position of the Group comprises the assets and liabilities of corporate level and the Group's share of assets and liabilities of its two PRC JVs, namely the GS JV and the GZ West JV.

Corporate Level

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	140	**62**	Other liabilities	81	**93**
Other assets	13	**14**			
	153	**76**		81	**93**
			Net assets/(liabilities) value of the Group	72	**(17)**

Two JVs shared by the Group
GS JV (The Group's shared portion:45%)

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	203	**240**	Bank loans		
Concession intangible assets	4,080	**3,907**	- USD	1,128	**1,113**
Property and equipment	190	**191**	- HKD	109	**102**
Other assets	24	**28**	- RMB	675	**619**
			Other loan	9	**9**
			Other liabilities	559	**503**
	4,497	**4,366**		2,480	**2,346**
			Net assets value of GS JV	2,017	**2,020**

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

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	76	**79**	Bank loans	3,078	**2,874**
Concession intangible assets	5,940	**5,836**	Balances with a JV partner	430	**443**
Property and equipment	183	**172**			
Balances with a JV	430	**443**	Other liabilities	355	**372**
Other assets	14	**17**			
	6,643	**6,547**		3,863	**3,689**
			Net assets value of GZ West JV	2,780	**2,858**

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
			Total liabilities	6,424	**6,128**
			Equity attributable to owners of the Company	4,839	**4,832**
			Non-controlling interests	30	**29**
Total Assets	11,293	**10,989**	**Total Equity and Liabilities**	11,293	**10,989**
			Total net assets	4,869	**4,861**

Liquidity and Financial Resources

The Group has no debt at the corporate level, whereas the Group's bank balances and cash at the corporate level (excluding JVs) amounted to RMB62 million. The Group's debt balance represents its share of the non-recourse bank loans of its two JVs.

Corporate Level

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	140	**62**	**Bank loan**	-	**-**
Net cash on hand : RMB62 million (31 December 2018: RMB140 million)					

Two JVs shared by the Group (including GS JV and GZ West JV)

	31 December 2018	**30 June 2019**		31 December 2018	**30 June 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
- Bank balances and cash	279	**319**	**Bank loans**		
			- GS Superhighway	1,912	**1,834**
			- GZ West Superhighway	3,078	**2,874**
	279	**319**		4,990	**4,708**
Net debt [Note 1]**: RMB4,389 million (31 December 2018: RMB4,711 million)**					

Note 1: Total bank loans less bank balances and cash

Given no debt at the corporate level, the Group enjoys a solid financial position. As at 30 June 2019, bank balances and cash at the corporate level (excluding JVs) amounted to RMB62 million (31 December 2018: RMB140 million).

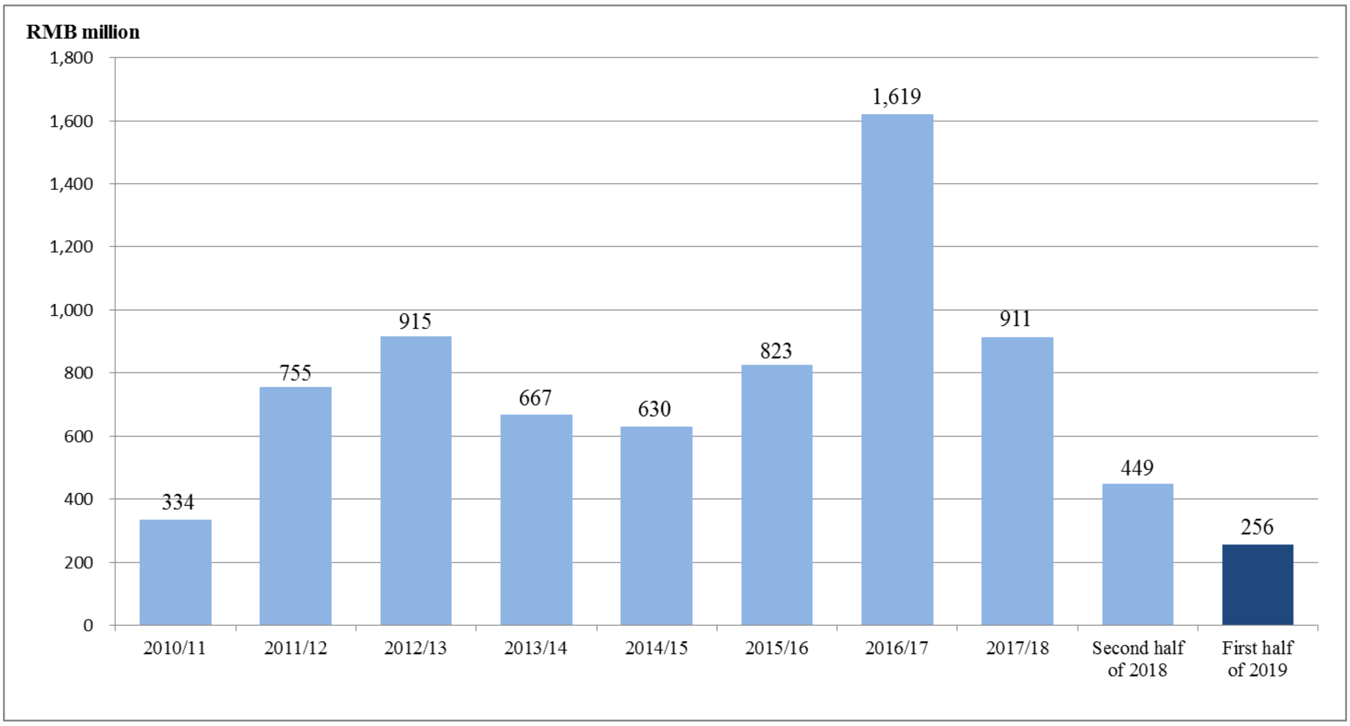
	31 December 2018 RMB million	**30 June 2019** **RMB million**
Total debt		
- The Group	-	**-**
- Share of JVs [Note 1]	5,429	**5,160**
Net debt [Note 2]	5,010	**4,779**
Total assets (including share of JVs' total assets)	11,293	**10,989**
Equity attributable to owners of the Company	4,839	**4,832**
Total debt / total assets ratio	48%	**47%**
Gearing ratio	104%	**99%**

Note 1: The Group's share of JVs' debt is defined as bank and other loans together with balance with JV partner.

Note 2: Net debt is defined as total debt (including share of JVs) less total bank balances and cash (including share of JVs).

The major source of the Group's cash inflow during the period under review was dividend received from the GS JV. On the other hand, its major cash outflow was the payment of dividends to the shareholders of the Company. The Group will continue to optimise its asset and liability structure, improve its cash flow and strengthen its financial position.

Cash Dividend (Net of Tax) from the GS JV to the Group



The reduction in the cash dividend received from the GS JV during 2010/11 was mainly due to the fact that funds were used to provide borrowings to the GZ West JV. Cash dividend received during 2012/13 increased as a result of the full repayment of borrowings by the GZ West JV to the GS JV in December 2012, and the GS JV's distribution of a dividend of RMB351 million to the Group out of such receipts. In August 2016, the GS JV obtained an additional 8-year bank loan facility amounting to RMB2 billion to reimburse past capital expenditure funded by its shareholders. Subsequently, the GS JV distributed post-tax dividend of RMB912 million to the Group out of this loan.

Bank and Other Borrowings

As at 30 June 2019, the Group had no debt at the corporate level, whereas the total bank and other borrowings of the JVs shared by the Group (mainly including US Dollar bank loans of equivalent to RMB1,113 million, HK Dollar bank loan of equivalent to RMB102 million and RMB bank and other loans of RMB3,502 million) amounted to approximately RMB4,717 million (31 December 2018: RMB4,999 million) with the following profile::

(a) 99.8% (31 December 2018: 99.8%) consisted of bank loans and 0.2% (31 December 2018: 0.2%) of other loan; and

(b) 74% (31 December 2018: 75%) was denominated in RMB; 24% (31 December 2018: 23%) was denominated in US Dollar and 2% (31 December 2018: 2%) was denominated in HK Dollar.

Debt Maturity Profile

As at 30 June 2019, the Group had no debt at the corporate level, whereas the maturity profile of the bank and other borrowings of two JVs shared by the Group were shown below, together with the corresponding comparatives as at 31 December 2018:

Two JVs shared by the Group

	31 December 2018		**30 June 2019**	
	RMB million	%	**RMB million**	**%**
Repayable within 1 year	175	3%	**255**	**6%**
Repayable between 1 and 5 years	2,791	56%	**2,850**	**60%**
Repayable beyond 5 years	2,033	41%	**1,612**	**34%**
	4,999	100%	**4,717**	**100%**

As at 30 June 2019, 34% (31 December 2018: 41%) of the bank loans and other borrowings of two JVs shared by the Group were repayable beyond 5 years.

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates and strictly controls its use of financial instruments. At present, neither the Group nor its two 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 and the exchange rate movements, with a view to minimise its funding costs and enhance return on its financial assets. As at 30 June 2019, 86% of the bank balances and cash at the corporate level (excluding JVs) were denominated in HK Dollar and the remaining 14% were denominated in RMB. The overall treasury yield on bank deposits at the corporate level was 2.07% during the period under review whereas 3.56% during the first half of 2018.

Contingent Liabilities

In 2007, a subsidiary of the Company recovered the registered capital of HK$702 million (equivalent to RMB471 million) previously injected to the GS JV. According to the Law of the PRC on Chinese-foreign Contractual Joint Venture, in relation to the early repayment of registered capital to the foreign joint venture partner by the GS JV before the expiry of the operation period, the subsidiary of the Company, as the foreign joint venture partner, is required to undertake the financial obligations of the GS JV to the extent of HK$702 million when the GS JV fails to meet its financial obligations during the joint venture operation period.

Except for the above, the Group had no other material contingent liability as at 30 June 2019.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the six months ended 30 June 2019.

Interim Dividend

On 8 August 2019, the Board declared an interim dividend of RMB9.8 cents per share (equivalent to HK10.971394 cents per share) in respect of the financial year ending 31 December 2019 to be paid on Thursday, 31 October 2019 to the shareholders of the Company registered as at the close of business on Friday, 27 September 2019. 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 2019. 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$1.11953 as published by The People's Bank of China on 8 August 2019 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 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Monday, 21 October 2019. **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.**

OTHER INFORMATION

Review of Interim Results

The Audit Committee of the Company 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 2019.

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. It offers share option and share award schemes to eligible employees in order to provide them with incentives and to recognise their contributions and ongoing efforts. 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 2019, the Group (excluding JVs) had 31 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 2019.

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. In July 2018, the Stock Exchange published its consultation conclusions and guidance for boards and directors setting out the amendments to CG code (the "Revised CG Code") and related Listing Rules (the "Revised Listing Rules") to be effective on 1 January 2019. The Board has reviewed the Revised CG Code and the Revised Listing Rules and their impact to the Company and taken measures to comply with the Revised CG Code and the Revised Listing Rules.

During the period under review, the Company complied with all the code provisions as set out in the CG Code except for the deviation from code provisions A.5.1 of the CG Code which is explained below.

Code Provision A.5.1

The Company does not consider it necessary to have a nomination committee as the Company already has the policies and procedures for selection and nomination of Directors in place. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size, composition and diversity. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the General Manager and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an 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.

Change of Company Name

On 14 June 2019, the Board announced that subsequent to the passing of a special resolution by the shareholders of the Company by way of poll at the AGM held on 30 April 2019, the English name of the Company has been changed from "Hopewell Highway Infrastructure Limited" to "Shenzhen Investment Holdings Bay Area Development Company Limited" and the Chinese name of the Company has been changed from "合和公路基建有限公司" to "深圳投控灣區發展有限公司". The Certificate of Incorporation on Change of Name of the Company was issued by the Registrar of Companies in the Cayman Islands on 30 April 2019. The Certificate of Registration of Alteration of Name of Registered Non-Hong Kong Company was issued by the Registrar of Companies in Hong Kong on 6 June 2019 confirming the registration of the new name of the Company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Details of change of Company name were set out in the announcement of the Company dated 14 June 2019.

On behalf of the Board
Zhengyu LIU*
Chairman

Shenzhen, People's Republic of China, 8 August 2019

**For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For The Six Months Ended 30 June 2019

	NOTES	Six months ended 30 June 2018 (Unaudited) RMB'000	**2019 (Unaudited) RMB'000**
Other income and other expense	4	(6,180)	**(1,408)**
Depreciation		(36)	**(159)**
General and administrative expenses		(15,603)	**(20,770)**
Finance costs	5	(30)	**(324)**
Share of results of joint ventures	6	343,345	**350,259**
Profit before tax		321,496	**327,598**
Income tax expense	7	(19,682)	**(20,285)**
Profit for the period		301,814	**307,313**
Other comprehensive income (expense)			
Item that will not be reclassified to profit or loss:			
Fair value gain on investment in equity instrument at fair value through other comprehensive income, net of tax		-	**810**
Item that may be reclassified subsequently to profit or loss:			
Exchange gain (loss) arising on translation of foreign operations		138	**(3,221)**
Total comprehensive income for the period		301,952	**304,902**
Profit for the period attributable to:			
Owners of the Company		297,345	**303,186**
Non-controlling interests		4,469	**4,127**
		301,814	**307,313**
Total comprehensive income for the period attributable to:			
Owners of the Company		297,483	**300,775**
Non-controlling interests		4,469	**4,127**
		301,952	**304,902**
		RMB Cents	**RMB Cents**
Earnings per share	9		
Basic		9.65	**9.84**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	NOTES	31 December 2018 (Audited) RMB'000	**30 June 2019 (Unaudited) RMB'000**
ASSETS			
Non-current Assets			
Interests in joint ventures	10	4,797,525	**4,877,784**
Equity instrument at fair value through other comprehensive income	11	11,100	**12,000**
Property and equipment		1,291	**1,132**
		4,809,916	**4,890,916**
Current Assets			
Deposits and prepayments		678	**565**
Interest and other receivables		14	**318**
Bank balances and cash		140,087	**62,163**
		140,779	**63,046**
Total Assets		4,950,695	**4,953,962**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	12	270,603	**270,603**
Share premium and reserves		4,568,631	**4,561,833**
Equity attributable to owners of the Company		4,839,234	**4,832,436**
Non-controlling interests		30,233	**28,443**
Total Equity		4,869,467	**4,860,879**
Non-current Liability			
Deferred tax liability	13	69,888	**76,226**
Current Liability			
Payables and accruals		11,340	**16,857**
Total Liabilities		81,228	**93,083**
Total Equity and Liabilities		4,950,695	**4,953,962**
Cash and cash equivalents		140,087	**62,163**

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.

Change of reporting period end date

During the last financial period, the reporting period end date of the Group was changed from 30 June to 31 December because the Directors determined to bring the annual reporting period end date of the Group in line with that of the Company's joint ventures established in the PRC and the ultimate holding company, Shenzhen Investment Holdings Co., Ltd. (深圳市投資控股有限公司), a company established in the PRC with limited liability.

To facilitate a better understanding of the operating results of the Group when applying the new reporting period end date, the comparative figures of these condensed consolidated financial statements covered a six-month period from 1 January 2018 to 30 June 2018, for which the accounting policies applied are the same as those followed in the preparation of the Group's consolidated financial statements for the year ended 30 June 2018.

2. PRINCIPAL ACCOUNTING POLICIES

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

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("IFRS"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2019 are the same as those presented in the Group's annual financial statements for the six months ended 31 December 2018.

Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's condensed consolidated financial statements:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures
IFRSs (Amendments)	Annual Improvements to IFRSs 2015 - 2017 Cycle

Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"

The amendments clarify that the Group applies IFRS 9, including the impairment requirements, to long term interests in an associate or joint venture to which the equity method is not applied that form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 "Investments in Associates and Joint Ventures" ("IAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

The Directors do not anticipate that the application of the amendments to IAS 28 will have a material effect on the condensed consolidated financial statements.

In addition to the above, the application of the other new and amendments to IFRSs in the current period has had no material impact on the Group's financial performance and positions 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 for the purpose of resource allocation and performance assessment.

Information reported to the chief operating decision maker, including segment revenue, the Group's share of joint ventures' earnings before interest, tax, depreciation and amortisation before 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 before tax on exchange gain/loss and including withholding tax on earnings distributed by a joint venture ("interest and tax"), and segment results, is more specifically focused on individual toll expressways projects jointly operated and managed by the Group and the relevant joint venture partner. 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")

Information regarding the above segments is reported below.

Segment revenue and results

	Six months ended 30 June									
	2018					**2019**				
	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**
GS Superhighway	716,897	646,767	(226,203)	(159,916)	260,648	**690,606**	**607,166**	**(216,966)**	**(154,002)**	**236,198**
GZ West Superhighway	323,216	291,248	(112,176)	(105,240)	73,832	**347,264**	**312,846**	**(119,602)**	**(97,646)**	**95,598**
Total	1,040,113	938,015	(338,379)	(265,156)	334,480	**1,037,870**	**920,012**	**(336,568)**	**(251,648)**	**331,796**
Corporate interest income from bank deposits					7,881					**1,101**
Other income					-					**3,251**
Corporate general and administrative expenses and depreciation					(15,639)					**(20,929)**
Corporate finance costs					(30)					**(324)**
Corporate income tax expense					-					**(312)**
Net exchange loss (net of related income tax) (Note)					(24,878)					**(7,270)**
Profit for the period					301,814					**307,313**
Profit for the period attributable to non-controlling interests					(4,469)					**(4,127)**
Profit for the period attributable to owners of the Company					297,345					**303,186**

Note: Net exchange 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 RMB1,510,000 (six months ended 30 June 2018: RMB10,817,000) and the net exchange loss of the Group of RMB5,760,000 (six months ended 30 June 2018: RMB14,061,000).

The segment revenue represents the Group's share of the joint ventures' toll revenue received and receivable (net of valued-added tax) from the operations of toll expressways 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 in the PRC before net exchange gain/loss (net of related income tax) based on the profit-sharing ratios 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 chief operating decision maker 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	
	2018 (Unaudited) RMB'000	**2019 (Unaudited) RMB'000**
Total segment results	334,480	**331,796**
Add:		
Net exchange loss (net of related income tax)	(10,817)	**(1,510)**
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	19,682	**19,973**
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income	343,345	**350,259**

4. OTHER INCOME AND OTHER EXPENSE

	Six months ended 30 June	
	2018 (Unaudited) RMB'000	**2019 (Unaudited) RMB'000**
Interest income from bank deposits	7,881	**1,101**
Net exchange loss	(14,061)	**(5,760)**
Dividend income from equity instrument at fair value through other comprehensive income	-	**3,120**
Others	-	**131**
	(6,180)	**(1,408)**

5. FINANCE COSTS

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

6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June 2018 (Unaudited) RMB'000	Six months ended 30 June **2019** **(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	388,393	**394,586**
Amortisation of additional cost of investments in joint ventures	(45,048)	**(44,327)**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(23,956)	**(25,454)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	23,956	**25,454**
	343,345	**350,259**

7. INCOME TAX EXPENSE

	Six months ended 30 June 2018 (Unaudited) RMB'000	Six months ended 30 June **2019** **(Unaudited)** **RMB'000**
The tax charge comprises:		
PRC Enterprise Income Tax ("EIT")	20,053	**14,037**
Deferred tax	(371)	**6,248**
	19,682	**20,285**

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 2019 included an amount of RMB13,725,000 (six months ended 30 June 2018: RMB20,053,000) representing the 5% withholding tax imposed on dividends declared during the period by a joint venture 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.

8. DIVIDENDS

	Six months ended 30 June	
	2018	**2019**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
Dividends paid and recognised as a distribution during the period:		
Interim dividend for the year ended 30 June 2018 of RMB11.6 cents (equivalent to HK14.24028 cents) per share	356,796	-
Final dividend for the six months ended 31 December 2018 of RMB9.9 cents (equivalent to HK11.615472 cents) per share	-	**307,573**
	356,796	**307,573**

On 8 August 2019, the Directors have declared that an interim dividend in respect of the year ending 31 December 2019 of RMB9.8 cents (equivalent to HK10.971394 cents) per share amounting to approximately RMB302,006,000 (approximately HK$338,104,000) shall be paid to the shareholders of the Company whose names appear on the register of members on 27 September 2019.

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	
	2018	**2019**
	(Unaudited)	**(Unaudited)**
	RMB'000	**RMB'000**
Earnings for the purpose of basic earnings per share	297,345	**303,186**

	Six months ended 30 June	
	2018	**2019**
	Number of shares	**Number of shares**
Number of ordinary shares for the purpose of basic earnings per share	3,081,690,283	**3,081,690,283**

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

10. INTERESTS IN JOINT VENTURES

	31 December 2018 (Audited) RMB'000	**30 June 2019 (Unaudited) RMB'000**
Unlisted investments:		
At cost		
Cost of investment in a joint venture	2,020,789	**2,020,789**
Additional cost of investments	2,520,218	**2,520,218**
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 (net of dividend received)	1,401,142	**1,525,728**
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(431,396)	**(456,850)**
Less: Accumulated amortisation of additional cost of investments	(1,573,335)	**(1,617,662)**
	3,937,418	**3,992,223**
At amortised cost		
Registered capital contribution, at nominal amount	2,449,500	**2,449,500**
Fair value adjustment on initial recognition	(2,020,789)	**(2,020,789)**
Accumulated imputed interest income recognised by the Group	431,396	**456,850**
	860,107	**885,561**
	4,797,525	**4,877,784**

11. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The investment represents interest in unlisted company with limited liability incorporated in the PRC.

12. SHARE CAPITAL

	Number of shares	Nominal amount HK$'000
Ordinary shares of HK$0.1 each		
Authorised:		
As at 1 January 2018, 30 June 2018, 31 December 2018, 1 January 2019 and 30 June 2019	10,000,000,000	1,000,000

	Number of shares	Nominal amount	
		HK$'000	Equivalent to RMB'000
Issued and fully paid:			
As at 1 January 2018, 30 June 2018, 31 December 2018, 1 January 2019 and 30 June 2019	3,081,690,283	308,169	270,603

Share Option Scheme

There were no share options granted, forfeited, vested or outstanding in both periods presented.

Share Award Scheme

There were no awarded shares granted, forfeited, vested or outstanding in both periods presented.

13. DEFERRED TAX LIABILITY

The amount represents the deferred tax liability associated with fair value change on investment in equity instrument at fair value through other comprehensive income and the undistributed earnings of the joint ventures.

14. CONTINGENT LIABILITY

In 2007, a subsidiary of the Company recovered the registered capital of HK$702,000,000 (equivalent to RMB471,000,000) previously injected to the GS JV. According to the Law of the PRC on Chinese-foreign Contractual Joint Venture, in relation to the early repayment of registered capital to the foreign joint venture partner by the GS JV before the expiry of the operation period, the subsidiary of the Company, as the foreign joint venture partner, is required to undertake the financial obligations of the GS JV to the extent of HK$702,000,000 when the GS JV fails to meet its financial obligations during the joint venture operation period.

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	31 December 2018 RMB	**30 June 2019 RMB**	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Equity instrument at fair value through other comprehensive income	Unlisted equity investment: 11,100,000	**Unlisted equity investment: 12,000,000**	Level 3	Market Approach	Price-to-earnings multiples of several comparable companies	The higher the multiples, the higher the fair value
					Enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiples of several comparable companies	The higher the multiples, the higher the fair value
					Risk adjustment for a discount on lack of marketability	The higher the discount, the lower the fair value

The Directors consider that the carrying amounts of the financial assets and financial liabilities recognised at amortised cost in the condensed consolidated financial statements approximate their fair values.

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 2019
(FOR INFORMATION PURPOSE ONLY)

	Six Months Ended 30 June			
	2018 RMB'000	**2019 RMB'000**	2018 HK$'000	**2019 HK$'000**
Toll revenue	1,040,113	**1,037,870**	1,277,612	**1,199,878**
Revenue on construction	534	**12,703**	632	**14,443**
Turnover	1,040,647	**1,050,573**	1,278,244	**1,214,321**
Other income and other expense (Note i)	13,339	**37,459**	18,673	**44,277**
Construction costs	(534)	**(12,703)**	(632)	**(14,443)**
Provision for resurfacing charges	(7,402)	**(12,061)**	(25,680)	**(13,953)**
Toll expressway operation expenses	(93,377)	**(108,194)**	(100,047)	**(125,098)**
General and administrative expenses	(38,886)	**(46,526)**	(46,698)	**(53,753)**
Depreciation and amortisation charges	(338,415)	**(336,728)**	(415,207)	**(389,267)**
Finance costs (Note ii)	(123,401)	**(119,538)**	(151,630)	**(138,282)**
Profit before tax	451,971	**452,282**	557,023	**523,802**
Income tax expense	(150,157)	**(144,969)**	(184,988)	**(167,873)**
Profit for the period	301,814	**307,313**	372,035	**355,929**
Profit for the period attributable to:				
Owners of the Company	297,345	**303,186**	366,550	**351,146**
Non-controlling interests	4,469	**4,127**	5,485	**4,783**
	301,814	**307,313**	372,035	**355,929**

Note:

(i) OTHER INCOME AND OTHER EXPENSE

	2018 RMB'000	**2019 RMB'000**	2018 HK$'000	**2019 HK$'000**
Interest income from bank deposits	10,079	**3,607**	12,330	**4,145**
Imputed interest income on interest-free registered capital contributions made by the Group to a joint venture	11,978	**12,726**	14,717	**14,722**
Net exchange loss	(28,485)	**(7,774)**	(32,647)	**(7,970)**
Rental income	10,958	**14,595**	13,442	**16,887**
Others	8,809	**14,305**	10,831	**16,493**
	13,339	**37,459**	18,673	**44,277**

(ii) FINANCE COSTS

	2018 RMB'000	**2019 RMB'000**	2018 HK$'000	**2019 HK$'000**
Interest on bank loans	111,040	**106,450**	136,444	**123,141**
Imputed interest on Interest-free registered capital contributions made by a joint venture partner	11,978	**12,726**	14,717	**14,722**
Others	276	**294**	338	**340**
	123,294	**119,470**	151,499	**138,203**
Other financial expenses	107	**68**	131	**79**
	123,401	**119,538**	151,630	**138,282**

APPENDIX-UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION (PREPARED UNDER PROPORTIONATE CONSOLIDATION METHOD)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019
(FOR INFORMATION PURPOSE ONLY)

	31 December 2018 RMB'000	**30 June 2019 RMB'000**	31 December 2018 HK$'000	**30 June 2019 HK$'000**
ASSETS				
Non-current Assets				
Property and equipment	374,077	**363,420**	426,073	**413,208**
Concession intangible assets	10,020,474	**9,742,800**	11,413,320	**11,077,563**
Balance with a joint venture	430,054	**442,780**	489,831	**503,441**
Equity instrument at fair value through other comprehensive income	11,100	**12,000**	12,642	**13,644**
	10,835,705	**10,561,000**	12,341,866	**12,007,856**
Current Assets				
Inventories	863	**1,045**	983	**1,188**
Deposits and prepayments	1,697	**1,173**	1,933	**1,333**
Interest and other receivables	36,239	**45,060**	41,276	**51,234**
Pledged bank balances and deposits of joint ventures	273,235	**314,206**	311,215	**357,253**
Bank balances and cash				
- The Group	140,087	**62,163**	159,559	**70,680**
- Joint ventures	5,392	**4,451**	6,141	**5,060**
	457,513	**428,098**	521,107	**486,748**
Total Assets	11,293,218	**10,989,098**	12,862,973	**12,494,604**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	4,568,631	**4,561,833**	5,203,717	**5,186,311**
Equity attributable to owners of the Company	4,839,234	**4,832,436**	5,511,886	**5,494,480**
Non-controlling interests	30,234	**28,443**	34,436	**32,340**
Total Equity	4,869,468	**4,860,879**	5,546,322	**5,526,820**
Non-current Liabilities				
Bank and other loans of joint ventures	4,824,040	**4,461,967**	5,494,582	**5,073,257**
Balance with a joint venture partner	430,003	**442,730**	489,774	**503,384**
Resurfacing obligations	220,243	**232,304**	250,857	**264,129**
Deferred tax liabilities	276,413	**278,232**	314,833	**316,350**
Other non-current liabilities	37,078	**38,259**	42,232	**43,500**
	5,787,777	**5,453,492**	6,592,278	**6,200,620**
Current Liabilities				
Provision, other payables, accruals and deposits received	406,399	**354,759**	462,888	**403,361**
Bank loans of joint ventures	174,877	**254,692**	199,185	**289,584**
Other interest payable	6,733	**5,710**	7,669	**6,492**
Tax liabilities	47,964	**59,566**	54,631	**67,727**
	635,973	**674,727**	724,373	**767,164**
Total Liabilities	6,423,750	**6,128,219**	7,316,651	**6,967,784**
Total Equity and Liabilities	11,293,218	**10,989,098**	12,862,973	**12,494,604**

GLOSSARY

"2010/11"	the year ended 30 June 2011
"2011/12"	the year ended 30 June 2012
"2012/13"	the year ended 30 June 2013
"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
"second half of 2018"	the six months ended 31 December 2018
"first half of 2019"	the six months ended 30 June 2019
"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
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company"	Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited)
"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
"Group"	the Company and its subsidiaries
"GS JV"	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture company 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
"Hengqin New Zone"	Hengqin State-level Strategic New Zone
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HZM Bridge"	the Hong Kong-Zhuhai-Macao Bridge
"JV(s)"	joint venture(s)
"km"	kilometre
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Macao"	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
"mu"	unit of area equal to approximately 667 square metres
"net toll revenue"	toll revenue after related tax
"Outline Plan"	the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area
"PRC" or "China"	the People's Republic of China
"PRD"	Pearl River Delta
"RMB"	Renminbi, the lawful currency of the PRC

"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SIHC"	Shenzhen Investment Holdings Co. Ltd(深圳市投資控股有限公司), established in the PRC with limited liability, the ultimate holding company of the Company
"SIICHIC"	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
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Share Award Scheme"	the share award scheme adopted by the Board on 25 January 2007
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"toll revenue"	toll revenue including tax
"United States" or "US" or "USA"	the United States of America
"USD" or "US Dollar(s)"	United States Dollars, the lawful currency of the United States
"YoY"	year-on-year

As at the date of this announcement, the Board comprises three Executive Directors namely, Mr. Tianliang ZHANG(General Manager), Mr. Cheng WU(Deputy General Manager), Mr.Ji LIU(Deputy General Manager and secretary to the Board); three Non-Executive Directors namely, Mr. Zhengyu LIU(Chairman), Mr. Junye CAI and Mr. Jiyang TANG; and three Independent Non-executive Directors namely, Mr. Brian David Man Bun LI, Mr. Yu Lung CHING, and Mr.Tony Chung Nin KAN.