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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)

**UNAUDITED FINANCIAL INFORMATION FOR THE THREE
MONTHS ENDED 31 MARCH 2022**

Highlights

- Average daily toll revenue of the GS Superhighway and the GZ West Superhighway decreased by 27% and 20% year-on-year, mainly impacted by the resurgence of COVID-19 pandemic, Shenzhen and Dongguan temporarily imposed strict containment measures in mid-March, citizen have travelled less frequently, as well as people were encouraged to stay local during the Lunar New Year holiday and diversion from surrounding roads.
- Profit attributable to owners of the Company fell by 33% YoY to RMB107 million.

On 10 August 2021, a wholly-owned subsidiary of Shenzhen Investment Holdings Co., Ltd (the “Vendor”) entered into a sale and purchase agreement (the “Agreement”) with a wholly-owned subsidiary of Shenzhen Expressway Company Limited (now known as Shenzhen Expressway Corporation Limited, HKEx Stock Code: 548, SSE Stock Code: 600548, “Shenzhen Expressway”) (the “Purchaser”). 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”) (the “Transaction”). 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 and Shenzhen Expressway become the intermediate controlling shareholders of Shenzhen Investment Holdings Bay Area Development Company Limited (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. 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. As the Company has been included in the scope of the consolidated financial statements of Shenzhen Expressway, the Company’s business and financial information will be reflected in the quarterly report of Shenzhen Expressway. To follow the principle of fairness and promote transparency, the board of directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated financial information and operation conditions for the three months ended 31 March 2022.

OPERATION INFORMATION

	<i>January – March</i> 2021	<i>January – March</i> 2022	<i>% Change</i>
<i>At Joint Venture level</i>			
<i>GS Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	7,903	5,805	-27%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	92	63	-32%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	614	468	-24%
<i>GZ West Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	3,657	2,915	-20%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	53	41	-23%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	275	217	-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

Toll revenue and traffic volume of Guangzhou-Shenzhen Superhighway (“GS Superhighway”) and Guangdong Guangzhou-Zhuhai West Superhighway (“GZ West Superhighway”) decreased year-on-year during the first quarter of 2022 was mainly impacted by the resurgence of COVID-19 pandemic, Shenzhen and Dongguan temporarily imposed strict containment measures in mid-March, citizen have travelled less frequently, as well as people were encouraged to stay local during the Lunar New Year holiday and diversion from surrounding roads.

FINANCIAL INFORMATION

The unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2022 (the “Period”) were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<u>NOTES</u>	Three month ended 31 March	
		<u>2021</u>	<u>2022</u>
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other income	3	21,629	10,372
Other gain and loss	4	8,591	(43)
Depreciation		(173)	(625)
General and administrative expenses		(9,474)	(9,519)
Finance costs		(4,031)	(6,729)
Share of results of joint ventures	5	<u>158,754</u>	<u>123,531</u>
Profit before tax		175,296	116,987
Income tax expense	6	<u>(14,367)</u>	<u>(8,930)</u>
Profit for the period		<u>160,929</u>	<u>108,057</u>
Profit for the period attributable to:			
Owners of the Company		158,823	106,574
Non-controlling interests		<u>2,106</u>	<u>1,483</u>
		<u>160,929</u>	<u>108,057</u>
		RMB cents	RMB cents
Earnings per share	7		
Basic		<u>5.15</u>	<u>3.46</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December <u>2021</u> RMB'000 (Audited)	31 March <u>2022</u> RMB'000 (Unaudited)
ASSETS		
Non-current Assets		
Interests in joint ventures	4,971,183	5,094,714
Equity instrument at fair value through other comprehensive income	20,100	20,100
Property and equipment	1,768	1,584
Right-of-use asset	4,999	4,558
	<u>4,998,050</u>	<u>5,120,956</u>
Current Assets		
Deposits and prepayments	735	611
Interest and other receivables	5,621	459
Amount due from a joint venture	263,636	253,909
Structured deposit	351,381	-
Bank balances and cash	1,552,319	1,915,084
	<u>2,173,692</u>	<u>2,170,063</u>
Total Assets	<u><u>7,171,742</u></u>	<u><u>7,291,019</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	270,603	270,603
Share premium and reserves	4,785,775	4,895,520
	<u>5,056,378</u>	<u>5,166,123</u>
Equity attributable to owners of the Company	5,056,378	5,166,123
Non-controlling interests	22,107	23,591
	<u>5,078,485</u>	<u>5,189,714</u>
Total Equity	<u><u>5,078,485</u></u>	<u><u>5,189,714</u></u>

	31 December <u>2021</u> RMB'000 (Audited)	31 March <u>2022</u> RMB'000 (Unaudited)
Non-current Liabilities		
Lease liability	3,335	2,907
Bank loans	1,053,922	1,052,202
Deferred tax liabilities	130,746	138,226
	<u>1,188,003</u>	<u>1,193,335</u>
Current Liabilities		
Payables and accruals	10,857	9,491
Lease liability	1,674	1,689
Bank loans	882,353	889,070
Tax payables	10,370	7,720
	<u>905,254</u>	<u>907,970</u>
Total Liabilities	<u>2,093,257</u>	<u>2,101,305</u>
Total Equity and Liabilities	<u>7,171,742</u>	<u>7,291,019</u>
Cash and cash equivalents	<u>1,552,319</u>	<u>1,915,084</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	<u>(159,539)</u>	<u>(10,087)</u>
INVESTING ACTIVITIES		
Withdrawal of structured deposit	1,100,000	350,000
Dividends received (net of PRC withholding tax)	85,425	-
Repayment from a joint venture	-	15,000
Interest received	9,847	6,863
Placement of structured deposit	(300,000)	-
Advance to a joint venture	(367,500)	-
Purchases of property and equipment	(65)	-
NET CASH FROM INVESTING ACTIVITIES	<u>527,707</u>	<u>371,863</u>
FINANCING ACTIVITIES		
New bank loans raised	1,310,685	440,098
Bank loans repaid	(1,000,838)	(431,948)
Interest paid on bank loans	(3,588)	(6,701)
Repayment of lease liability	-	(413)
Interest paid on lease liability	-	(47)
Dividends paid to:		
- owners of the Company	(303,019)	-
- non-controlling interests of a subsidiary	(1,350)	-
NET CASH FROM FINANCING ACTIVITIES	<u>1,890</u>	<u>989</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	370,058	362,765
CASH AND CASH EQUIVALENTS AT 1 JANUARY	519,042	1,552,319
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>2,192</u>	<u>-</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>891,292</u>	<u>1,915,084</u>

Note: Cash and cash equivalents comprise cash at banks and cash on hand, and deposits with banks subjected to insignificant risk of change in value, and with a maturity of three months or less from date of placing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated financial information has 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 (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial information for the three months ended 31 March 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021. The application of the new and amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior period and/or on the disclosures set out in these condensed consolidated financial statements.

The Company’s functional currency and presentation currency are Renminbi (“RMB”).

2. 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, includes 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 expressways 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 reportable and operating segments under IFRS 8 “Operating Segments” are therefore as follows:

- GS Superhighway
- GZ West Superhighway
- Xintang Interchange

Information regarding the above segments is reported below.

Segment revenue and results

	Three months ended 31 March									
	2021				2022					
	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Toll expressway projects										
GS Superhighway	310,752	289,393	(114,949)	(60,779)	113,665	228,259	205,466	(88,135)	(36,255)	81,076
GZ West Superhighway	159,761	147,621	(55,454)	(41,868)	50,299	127,356	114,555	(42,257)	(35,345)	36,953
	<u>470,513</u>	<u>437,014</u>	<u>(170,403)</u>	<u>(102,647)</u>	<u>163,964</u>	<u>355,615</u>	<u>320,021</u>	<u>(130,392)</u>	<u>(71,600)</u>	<u>118,029</u>
Land development and utilization project										
Xintang Interchange	-	(694)	-	(9,139)	(9,833)	5,025	(52)	(36)	(3,201)	(3,289)
Total	<u>470,513</u>	<u>436,320</u>	<u>(170,403)</u>	<u>(111,786)</u>	<u>154,131</u>	<u>360,640</u>	<u>319,969</u>	<u>(130,428)</u>	<u>(74,801)</u>	<u>114,740</u>
Corporate interest income from bank deposits					6,587					2,601
Corporate investment income from structured deposit					1,988					2,071
Corporate interest income from loans made by the Group to a joint venture					12,347					4,974
Other income and other gain					4,180					726
Corporate general and administrative expenses and depreciation					(9,647)					(10,144)
Corporate finance costs					(4,031)					(6,729)
Corporate income tax expense					(4,176)					(1,667)
Net exchange (loss) gain (net of related income tax) (Note)					(450)					1,485
Profit for the period					160,929					108,057
Profit for the period attributable to non-controlling interests					(2,106)					(1,483)
Profit for the period attributable to owners of the Company					<u>158,823</u>					<u>106,574</u>

Note: Net exchange (loss) gain (net of related income tax) is composed of the Group's share of the exchange gain (net of related income tax) of a joint venture of RMB1,528,000 (three months ended 31 March 2021: net exchange loss (net of related income tax) of RMB5,568,000) and the net exchange loss of the Group of RMB43,000 (three months ended 31 March 2021: net exchange gain of RMB5,118,000).

The segment revenue represents the Group's share of 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 People's Republic of China (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 the (i) 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 consolidated statement of profit or loss and other comprehensive income as follows:

	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total segment results	154,131	114,740
Add:		
Net exchange (loss) gain (net of related income tax)	(5,568)	1,528
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	<u>10,191</u>	<u>7,263</u>
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss	<u><u>158,754</u></u>	<u><u>123,531</u></u>
3. OTHER INCOME		
	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income from:		
Bank deposits	6,587	2,601
Amount due from a joint venture	12,347	4,974
Investment income from structured deposit	1,988	2,071
Others	<u>707</u>	<u>726</u>
	<u><u>21,629</u></u>	<u><u>10,372</u></u>
4. OTHER GAIN AND LOSS		
	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net exchange gain (loss)	5,118	(43)
Write back of unrealised loss related to partial disposal of a joint venture in prior year	<u>3,473</u>	<u>-</u>
	<u><u>8,591</u></u>	<u><u>(43)</u></u>

5. SHARE OF RESULTS OF JOINT VENTURES

	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
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	181,482	139,703
Amortisation of additional cost of investments in joint ventures	(22,728)	(16,172)
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(14,370)	(15,271)
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	<u>14,370</u>	<u>15,271</u>
	<u>158,754</u>	<u>123,531</u>

6. INCOME TAX EXPENSE

	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The tax charge comprises:		
PRC Enterprise Income Tax (“EIT”)	5,664	1,450
Deferred tax	<u>8,703</u>	<u>7,480</u>
	<u>14,367</u>	<u>8,930</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 three months ended 31 March 2021 included an amount of RMB4,575,000 representing the 5% withholding tax imposed on dividends declared during the period by joint ventures of the Group of which the corresponding amount had already been provided for deferred tax in prior years in respect of undistributed earnings of a joint venture.

7. EARNINGS PER SHARE

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

	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share	<u>158,823</u>	<u>106,574</u>
	Three month ended 31 March	
	<u>2021</u>	<u>2022</u>
	Number	Number
	of shares	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.

REVIEW OF FINANCIAL INFORMATION

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 financial information for the three months ended 31 March 2022.

By Order of the Board
**Shenzhen Investment Holdings Bay Area
Development Company Limited**
Wei HU*
Chairman

Hong Kong, 26 April 2022

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