

For Immediate Release

16 March 2023

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))

Shenzhen Investment Holdings Bay Area Development Company Limited Announces 2022 Final Results

Highlights

- Net toll revenue decreased by 21% YoY to RMB2,019 million was mainly due to (i) the continuous outbreak of the COVID-19 pandemic in Guangdong Province, resulting in a significant decrease in social transportation volume; (ii) the diversion effect caused by the newly opened expressways and reconstructed local roads in the surrounding areas of the GS Superhighway and the GZ West Superhighway; and (iii) the national policy of 10% toll reduction for trucks implemented in the fourth quarter of 2022.
- Profit attributable to owners of the Company fell by 61% YoY to RMB279 million, mainly due to decrease in toll revenue and exchange loss recorded affected by RMB depreciation.
- On 30 September 2022, GS JV entered into the Compensation Agreement in relation to Land Resumption along Luogang Interchange, to surrender land use rights of the Resumed Land together with the Attached Buildings to Land Reserve Centre in consideration of approximately RMB317.0 million.
- On 30 November 2022, Shenwan Infrastructure (an indirect subsidiary of the Company) has completed the subscription of 51% enlarged equity interest in Coastal Company. Coastal Company becomes an indirect non-wholly owned subsidiary of the Company and its financial results have been consolidated into the financial statements of the Company.
- Proposed final dividend of RMB3.25 cents per share, representing a regular dividend payout ratio of 100% for the year.

(March 16, 2023 – Hong Kong) **Shenzhen Investment Holdings Bay Area Development Company Limited** (“Bay Area Development”, the “Company”; SEHK HKD-traded Shares: 737; SEHK RMB-traded Shares: 80737) announced today its final results for the year ended 31 December 2022.

In 2022, the revenue from investment projects attributable to the Group was RMB2,050 million, representing a YoY decrease of 20%, mainly due to the continuous outbreak of the COVID-19 pandemic in Guangdong Province, resulting in a significant decrease in social transportation volume and a decrease in toll revenue. The profit attributable to owners of the Company amounted to RMB279 million, representing a YoY decline of 61%, and a basic earnings per share was RMB9.04 cents. The Board has proposed a final dividend of RMB3.25 cents per share for year 2022 with a dividend payout ratio amounting to 100% of total dividend to the profit attributable to owners of the Company.

The completion of two important capital integration continuously improves its profitability

On 11 January 2022, the transaction on approximately 71.83% of the issued Shares between Shenzhen Expressway Corporation Limited (“Shenzhen Expressway”) and Shenzhen Investment Holdings Co., Ltd was completed, and Shenzhen Expressway became the controlling Shareholder of the Company. Being a major provider of construction and operation of transportation infrastructure in the Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen Expressway’s extensive and integrated capabilities on expressway investment, construction, operations and management, experiences on land development and construction, and premier resources on assets, shall create synergistic effects with the Group’s businesses, supporting the Group’s business development, further enhancing the Group’s profitability and investment value, and creating stable and good returns for the Shareholders.

In addition, in order to integrate and optimise the industrial layout, effectively expand and strengthen the investment, construction, operation and management capacity of the main business of toll road, the Company has steadily carried out capital operation, and has made good progress in its external M&A strategy. Under the overall strategic deployment of Shenzhen Expressway, our controlling Shareholder, Shenwan Infrastructure (an indirect subsidiary of the Company) completed the subscription of 51% enlarged equity interest in the Coastal Company by way of capital injection on 30 November 2022. The advantageous geographical location of the Coastal Expressway (Shenzhen Section) held by the Coastal Company will strengthen the overall management of the Company’s toll roads in the region of Shenzhen, enhance the synergies of the flow of road network and management and maintenance of the road, and further enhance the profitability of the Group. At the same time, the Company further expanded its revenue sources and made positive contributions to the economic recovery of the Great Bay Area in the post-epidemic era.

With orderly promotion of various businesses, the recovery of toll revenue is expected

For toll expressway projects, during the year under review, the operational performance of the GS Superhighway and the GZ West Superhighway of the Company was significantly hit by the continuous impact of the COVID-19 pandemic on traffic volume as well as the newly opened expressways and reconstructed local roads in the surrounding areas, which have caused a diversion effect. In addition, the national policy of 10% toll reduction for trucks implemented in the fourth quarter of 2022 also posed limited impact on the toll revenue.

Affected by the above-mentioned reasons, in 2022, the average daily toll revenue and average daily mixed traffic of the GS Superhighway decreased by 21% and 17% YoY to RMB6.37 million and 527,000 vehicles respectively; the average daily toll revenue and average daily mixed traffic of the GZ West Superhighway decreased by 22% and 21% YoY to RMB2.95 million and 222,000 vehicles respectively; the average daily toll revenue (excluding tax) and average daily mixed traffic of the Coastal Expressway (Shenzhen Section) decreased by 19% and 16% YoY to RMB1.32 million and 141,000 vehicles respectively. With the country’s further optimisation and implementation of pandemic prevention and control measures at the end of 2022, it is expected that the social traffic and transportation volume will return to normal and support the operational performance of the toll road business operated by the Company.

Various works of the expansion of the GS Superhighway continue to advance based on the target to formally commence the expansion work in 2023. At present, the feasibility study revision report for the expansion work of the Guangzhou-Dongguan section has been officially submitted to the Ministry of Transport of the PRC for review, and has entered the stage of application for work approval.

As for the business development, on 30 September 2022, GS JV entered into the Compensation Agreement with Land Reserve Centre and the Representatives, pursuant to which GS JV agreed to surrender land use rights of the Luogang Interchange land parcels together with the Attached Buildings to Land Reserve Centre in consideration of approximately RMB317.0 million. In the future, GS JV will actively participate in the bidding and auction for the Resumed Land to achieve a higher investment return. As for the Grand Park City project, the accumulated contracted sales in 2022 amounted to approximately RMB914 million and the accumulated contracted units amounted to 413; the accumulated contracted sales of the project amounted to approximately RMB2,282 million and the accumulated contracted units amounted to 984.

Actively grasp the development opportunities of the Greater Bay Area and steadily advance the established strategic objectives

2023 is the year for the Company to carry forward the “14th Five-Year” strategy, and during the “14th Five-Year Plan” period, the Company will fully leverage the advantages of the Hong Kong listing platform and the financing function of the overseas capital market, link the resources of Hong Kong and Shenzhen, build a “3+1” industrial pattern with “toll roads, land development, science and technology innovation industrial park and science and technology innovation services” as the main focus and supplemented by “new industries”, and become an advanced, high-quality and distinctive overseas listed company with stable return in the Guangdong-Hong Kong-Macao Greater Bay Area.

The Company will continue to leverage on its comprehensive advantages in Guangdong, Hong Kong and Macao, and grasp the development opportunities in the infrastructure investment and urban renewal area in the Greater Bay Area. The Company will actively leverage on its own advantages in infrastructure investment, and deeply explore infrastructure investment opportunities in expressways, industrial parks and integrated land development and utilisation. During the strategic period, the business objectives will be implemented in different levels, with the primary goal of consolidating the core business of toll roads and promoting land development to unlock value; the second-tier goal is to build a science and technology innovation industrial park and a science and technology innovation service platform; the third-level goal is to explore and cultivate new businesses and create new growth poles for strategic development.

For more details, please refer to the Bay Area Development website (www.sihbay.com).

Financial Highlights

(in million RMB)	For the year ended 31 December		% Change
	2021 (restated)	2022	
Net toll revenue	2,546	2,019	-21%
Profit before net exchange gain (loss)	793	416	-48%
Net exchange gain (loss)	25	(89)	N/A
Profit attributable to owners of the Company	711	279	-61%

Operational Highlights

	For the year ended 31 December		% Change
	2020	2021	
Average Daily Toll Revenue (RMB '000)			
GS Superhighway ^{N1}	8,087	6,372	-21%
GZ West Superhighway ^{N1}	3,758	2,948	-22%
Coastal Expressway (Shenzhen Section) ^{N2}	1,620	1,318	-19%
Average Daily Mixed^{N3} ('000 vehicles)			
GS Superhighway	638	527	-17%
GZ West Superhighway	281	222	-21%
Coastal Expressway (Shenzhen Section)	168	141	-16%

N1: Including tax

N2: Excluding tax

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

- END -

About Shenzhen Investment Holdings Bay Area Development Company Limited

Listed on The Stock Exchange of Hong Kong Limited in August 2003, Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited) focuses on the development of infrastructure and related businesses in the Guangdong-Hong Kong-Macao Greater Bay Area as well as land development and utilisation along the GS Superhighway. Shenzhen Expressway Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 548) and Shanghai Stock Exchange (Stock code: 600548), became the controlling shareholder of the Company on 11 January 2022.

This press release is issued by **Wonderful Sky Financial Group Limited** on behalf of **Shenzhen Investment Holdings Bay Area Development Company Limited**.

For further information, please contact:
 Wonderful Sky Financial Group Limited
 Nicole Chen
 Tel : (852) 3977 1855
 Email : sihbay@wsfg.hk