

Press Release

**HOPEWELL HIGHWAY INFRASTRUCTURE LIMITED  
ANNOUNCES AUDITED FINAL RESULTS FOR THE SIX MONTHS  
ENDED 31 DECEMBER 2018**

**Highlights**

**Change in Financial Year End Date**

- This is the first financial year after the change of the financial year end date. The financial reporting period as presented in the financial statements covers the six months from 1 July 2018 to 31 December 2018 (the “Second half of 2018”)

**Audited Financial Results for the Second half of 2018**

- HHI’s net profit was RMB 304 million and basic earnings per share was RMB 9.87 cents
- Proposed final dividend of RMB 9.9 cents per share, representing a regular dividend payout ratio of 100%

**Unaudited Financial Results for the Twelve Months Ended 31 December 2018**

- Despite the profit-sharing ratio in the GS Superhighway JV adjusted from 48% to 45% starting from 1 July 2017 and the decline in its toll revenue, the Group’s shared aggregate net profit of the two expressway projects (excluding exchange gains/losses) increased by 4% to RMB 689 million due to the continuous growth in toll revenue and the fall in the interest expenses of the West Route JV, which posted a 34% net profit growth
- The Group’s net profit decreased by 16% to RMB 601 million, mainly due to the net exchange loss of RMB 62 million arising from the GS Superhighway JV’s US Dollar and HK Dollar loans shared by the Group, as compared to net gain of RMB 79 million recorded for the corresponding period of last year

**Change of company name**

- The Board proposed, subject to the passing of a special resolution by the shareholders at the 2019 Annual General Meeting and the approval by the Registrar of Companies in the Cayman Islands, the English and Chinese name of the company to be changed to “Shenzhen Investment Holdings Bay Area Development Company Limited” and “深圳投控灣區發展有限公司” respectively

**Upcoming**

- 100% dividend payout target (full-year basis) is sustainable, given that (i) the Group expects to receive cash dividend of approximately RMB 600 million from the GS Superhighway JV in 2019; (ii) the West Route JV is expected to distribute dividend to the Group starting from 2020 the earliest
- If the change of land use at Xintang interchange of the GS Superhighway is implemented, the GS Superhighway JV will receive cash compensation from the government. The Group continues study to come up with a plan to further enhance and realize the land value of Xintang interchange.
- The Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area has been officially promulgated. The GS Superhighway and the Western Delta Route are located at the heart of Guangdong-Hong Kong-Macao Bay Area and will benefit from the construction and development of the Bay Area in the future
- The Group's development strategy will focus on the infrastructure and correlated businesses within the Bay Area in the future
- The HZM Bridge had commenced operation and its utilization is expected to grow gradually along with the new measure that Guangdong-Hong Kong cross-boundary private cars using other land border crossings are allowed on the HZM Bridge, thus benefiting the Western Delta Route in the long term

**Hong Kong, 28 February 2019** – Hopewell Highway Infrastructure Limited (“HHI” or “the Group”; SEHK HKD-traded Shares: 737; SEHK RMB-traded Shares: 80737) announced today its audited results for the six months ended 31 December 2018. This is the first financial year after the change of the financial year end date. The financial reporting period as presented in the financial statements covers the period of six months from 1 July 2018 to 31 December 2018 (the “Second half of 2018”)

In the Second half of 2018, HHI's shared net toll revenue of the GS Superhighway and the Western Delta Route totaled RMB 1.12 billion and the total net profit of the two expressway projects (excluding the exchange gains/losses arisen from the US Dollar and HK Dollar loans of the GS Superhighway JV deducting related income tax) was RMB 355 million. In the Second half of 2018, the Group's share of the exchange losses of the US Dollar and HK Dollar loans of the GS Superhighway JV was approximately RMB 37 million, the profit attributable to owners of the company was RMB 304 million and basic earnings per share was RMB 9.87 cents.

The Board has proposed a final dividend of RMB 9.9 cents per share (equivalent to HK\$1.615472 cents per share at the exchange rate of RMB1:HK\$1.17328) for the six months ended 31 December 2018. (30 June 2018: a final dividend of RMB9.7 cents per share). The dividend represents a regular dividend payout ratio of 100% of the profit attributable to owners of the company and will be the same as that of the previous financial year. Shareholders will be given the option of electing to receive the dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars. Subject to shareholders' approval at the 2019 Annual General Meeting to be held on 30 April 2019, the proposed final dividend will be paid on 6 June 2019 to shareholders registered at the close of business on 7 May 2019.

Mr. Zhengyu Liu, Chairman and Non-executive Director of HHI, said: “The Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area will become an important guideline for future development of Guangdong, Hong Kong and Macao. With support from the Central Government, cities in the Bay Area are going to strengthen their ties, deepen their cooperation and magnify comparative advantages. Connecting Guangzhou Ring Road in the north, the Group's expressway projects run through the core of the Bay Area linking Shenzhen, Dongguan, Guangzhou, Foshan, Zhongshan and Zhuhai together. Combined with the HZM Bridge and its related feeder roads, the Bay Area has basically formed a network of ring expressways. The Group will certainly benefit from huge transport demand stimulated by a burgeoning Bay Area.”

As a major overseas-listed platform under Shenzhen Investment Holdings Company Limited, our ultimate holding company, the Group will focus on the infrastructure and correlated businesses within the Bay Area in the future. To better reflect our future business development direction and corporate identity, the Board proposed on 28 February 2019 to change the English name of the company from “Hopewell Highway Infrastructure Limited” to “Shenzhen Investment Holdings Bay Area Development Company Limited”, and the Chinese name of the company to “深圳投控灣區發展有限公司” from “合和公路基建有限公司”. The proposed change of company name is subject to the passing of a special resolution by the Shareholders at the 2019 Annual General Meeting and the approval by the Registrar of Companies in the Cayman Islands.

The below analysis compares performance of 2018 with 2017 to better illustrate the Group’s operating performance after the adoption of the new financial year end date.

- Impacted by traffic diversion brought forth by newly opened highways in adjacent area, the average daily toll revenue of the GS Superhighway in 2018 declined 3% YoY to RMB 9.15 million, and the average daily full-length equivalent traffic fell 1% YoY to 102,000 vehicles. As the overall traffic volume in the region continues to increase, the negative impact from the diversion is expected to gradually decrease.
- The average daily toll revenue and average daily full-length equivalent traffic of the Western Delta Route in 2018 amounted to RMB 3.95 million and 54,000 vehicles, up 10% and 10% YoY respectively. The traffic volume of trucks grew faster mainly because of truck restrictions imposed on the main alignment of Foshan Ring Road, some of the trucks were diverted to the Western Delta Route. After the restrictions ended by the end of 2018, the positive impact on the traffic volume of the Western Delta Route is expected to fade gradually.
- In 2018, the Group’s shared aggregate net profit of the two expressway projects (excluding exchange differences) increased by 4% to RMB 689 million.
- The Group’s net profit decreased by 16% to RMB 601 million in 2018, mainly due to the net exchange loss arising from the GS Superhighway JV’s US Dollar and HK Dollar loans shared by the Group amounted to RMB 62 million, as compared to net exchange gain of RMB 79 million recorded for the corresponding period of last year.

Following the opening of the HZM Bridge on 24 October 2018, vehicles can travel between major cities on the west bank of the PRD and Hong Kong via the HZM Bridge and the Western Delta Route. The opening of the HZM Bridge slightly spurred the traffic volume of the Western Delta Route. The utilization rate of the HZM Bridge is expected to gradually increase, since cross-boundary private cars in Guangdong and Hong Kong that are permitted to use other land border crossings are allowed to travel on the HZM Bridge starting 25 February 2019. This policy will benefit the Western Delta Route.

As at 31 December 2018, net cash at the corporate level of approximately RMB 140 million and net dividend after tax of approximately RMB 600 million from the GS Superhighway JV receivable by the Group in 2019 provide solid bases for dividend payment. The Board believes that the target payout ratio of 100% on a full-year basis is sustainable. Moreover, in view of the healthy growth in toll revenue of the Western Delta Route, it is expected that the West Route JV will be able to distribute dividend to the Group starting from 2020 the earliest.

Details of the expressways’ traffic and revenue figures can be found at the website:

[www.hopewellhighway.com](http://www.hopewellhighway.com)

**Financial Highlights***(in million RMB, unless otherwise stated)*

<b>For the six months ended 31 December (Audited)</b>	<b>2018</b>
Net toll revenue	1,120
EBITDA of toll expressways	983
Profit before net exchange (loss)/gain	355
Profit attributable to owners of the company	304
EPS (RMB cents)	9.87
Final DPS (RMB cents/HK cents)	9.90/11.615472

<b>For the year ended 31 December (Unaudited)</b>	<b>2017</b>	<b>2018</b>	<b>% Change</b>
Net toll revenue	2,188	2,160	-1%
EBITDA of toll expressways	1,895	1,921	+1%
Profit before net exchange (loss)/gain	665	689	+4%
Profit attributable to owners of the company	714	601	-16%

**Operational Highlights**

<b>For the year ended 31 December</b>	<b>2017</b>	<b>2018</b>	<b>% Change</b>
<b>Average Daily Toll Revenue (RMB '000)</b>			
GS Superhighway	9,419	9,154	-3%
Western Delta Route	3,593	3,952	+10%
<b>Average Daily Full-Length Equivalent Traffic<sup>N1</sup> ('000 vehicles)</b>			
GS Superhighway	103	102	-1%
Western Delta Route	49	54	+10%

*N1: 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 year under review.*

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