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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 NINE
MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “Board”) of Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”) is pleased to announce the operation conditions and the unaudited condensed consolidated financial information for the nine months ended 30 September 2023.

OPERATION INFORMATION

	<i>July – September</i>	<i>July – September</i>	<i>% Change</i>
	<i>2023</i>	<i>2022</i>	
<i>At Operational Level</i>			
<i>GS Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	8,321	7,109	+17%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	652	612	+7%
<i>GZ West Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	3,954	3,365	+18%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	291	262	+11%
<i>Coastal Expressway (Shenzhen Section)</i>			
Average daily toll revenue ^{N1} (RMB '000)	1,811	1,474	+23%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	198	162	+22%

	<i>January – September</i> 2023	<i>January – September</i> 2022	<i>% Change</i>
<i>At Operational Level</i>			
<i>GS Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	7,901	6,395	+24%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	636	543	+17%
<i>GZ West Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	3,590	3,012	+19%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	271	231	+17%
<i>Coastal Expressway (Shenzhen Section)</i>			
Average daily toll revenue ^{N1} (RMB '000)	1,696	1,336	+27%
Average daily mixed traffic ^{N2} (No. of vehicles '000)	188	142	+32%

N1: Excluding tax

N2: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

Expressway

Toll revenue and traffic volume of the Guangzhou-Shenzhen Superhighway (“GS Superhighway”), the Guangdong Guangzhou-Zhuhai West Superhighway (“GZ West Superhighway”) and the Shenzhen section of Guangshen Coastal Expressway (“Coastal Expressway (Shenzhen Section)”) increased significantly year-on-year during the first three quarters of 2023 were mainly because social transportation volume in Chinese Mainland experienced restorative growth, the economy of the cities along the expressways also resumed stable growth, as well as a low comparison base impacted by the COVID-19 pandemic last year.

Grand Park City

During the first three quarters of 2023, contract sales amounted to approximately RMB825 million, representing the average sales price of approximately RMB23,000 per square meter.

FINANCIAL INFORMATION

For the nine months ended 30 September 2023, the profit attributable to equity shareholders of the Company increased by 22% to approximately RMB337 million from approximately RMB275 million, the major factors that affected the results include the following:

(i) Due to social transportation volume in Chinese Mainland experienced restorative growth, the profit for the period of a subsidiary of the Company, the Group's share of profit of GS superhighway and GZ West Superhighway increased when comparing with the same period last year;

(ii) Due to share of profit of Grade Park City project increased over the same period last year as first phase residential units were delivered to buyers in the third quarter of 2023;

(iii) Due to increase in the interest rate of Hong Kong Dollar loans in rate hike cycle and an increase in the bank loan balances during the period under review, the finance costs of the Group increased when comparing with the same period last year.

The unaudited condensed consolidated financial information of the Group for the nine months ended 30 September 2023 (the “Period”) were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	<i>Nine months ended 30 September</i>	
	2023 (Unaudited) RMB'000	2022 (Unaudited and restated) RMB'000
Revenue	617,277	615,523
Cost of sales	<u>(392,045)</u>	<u>(450,824)</u>
Gross profit	<u>225,232</u>	<u>164,699</u>
Other income	27,490	66,253
Other gain and loss	(7,679)	(15,315)
Administrative expenses	(39,354)	(40,597)
Finance costs	(124,653)	(27,788)
Share of results of joint ventures	421,431	286,851
Profit before tax	<u>502,467</u>	<u>434,103</u>
Income tax	(79,121)	(103,530)
Profit for the period	<u>423,346</u>	<u>330,573</u>
Attributable to:		
Equity shareholders of the Company	336,679	275,286
Non-controlling interests	86,667	55,287
Profit for the period	<u>423,346</u>	<u>330,573</u>
Earnings per share		
Basic and diluted	<u>RMB10.93 cents</u>	<u>RMB8.93 cents</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME

	<i>Nine months ended 30 September</i>	
	2023	2022
	(Unaudited)	(Unaudited and restated)
	RMB'000	RMB'000
Profit for the period	423,346	330,573
Other comprehensive income for the period (after tax):		
Item that will not be reclassified to profit or loss:		
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of tax	-	(540)
Item that may be reclassified subsequently to profit or loss:		
Exchange loss arising on translation of foreign operations	(88,503)	(204,538)
Other comprehensive income for the period	(88,503)	(205,078)
Total comprehensive income for the period	334,843	125,495
Attributable to:		
Equity shareholders of the Company	248,176	70,208
Non-controlling interests	86,667	55,287
Total comprehensive income for the period	334,843	125,495

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 September 2023 (Unaudited) RMB'000	31 December 2022 (Audited) RMB'000
Non-current assets		
Property, plant and equipment	276,791	289,976
Right-of-use assets	15,155	21,872
Construction in progress	3,457	6,956
Concession intangible assets	5,683,649	5,675,057
Other intangible assets	1,964	1,777
Interests in joint ventures	4,832,854	4,519,423
Equity instrument at fair value through other comprehensive income	20,000	20,000
Deposit paid for acquisition of property and equipment	578	578
Deferred tax assets	156,533	210,959
	10,990,981	10,746,598
Current assets		
Inventories	343	427
Trade and other receivables	111,175	322,134
Amount due from a joint venture	-	210,385
Structured deposits	200,292	451,440
Time deposit	202,783	-
Restricted bank deposits	37,988	15,048
Cash and cash equivalents	665,426	474,015
	1,218,007	1,473,449
Total assets	12,208,988	12,220,047
Non-current liabilities		
Lease liabilities	11,760	13,885
Bank loans	2,275,820	2,811,290
Deferred tax liabilities	150,743	133,408
	2,438,323	2,958,583

CONSOLIDATED STATEMENT OF FINANCIAL POSITION- CONTINUED

	<i>30 September 2023</i> (Unaudited) RMB'000	<i>31 December 2022</i> (Audited) RMB'000
Current liabilities		
Trade and other payables	671,242	715,907
Lease liabilities	9,002	8,872
Bank loans	1,646,910	1,145,512
Tax payables	169	5,386
	<u>2,327,323</u>	<u>1,875,677</u>
Total liabilities	<u>4,765,646</u>	<u>4,834,260</u>
Capital and reserves		
Share capital	270,603	270,603
Reserves	4,242,448	4,265,459
Total equity attributable to equity shareholders of the Company	<u>4,513,051</u>	<u>4,536,062</u>
Non-controlling interests	<u>2,930,291</u>	<u>2,849,725</u>
Total equity	<u>7,443,342</u>	<u>7,385,787</u>
Total equity and liabilities	<u><u>12,208,988</u></u>	<u><u>12,220,047</u></u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	<i>Nine months ended 30 September</i>	
	2023 (Unaudited) RMB'000	2022 (Unaudited and restated) RMB'000
Operating activities		
Cash generated from operations	399,645	57,855
Tax paid	(2,599)	(15,485)
Net cash generated from operating activities	397,046	42,370
Investing activities		
Withdrawal of structured deposits	1,220,000	868,000
Payment for purchases of structured deposits	(970,000)	(768,000)
Payment for purchases of time deposit	(200,000)	-
Dividends received (net of PRC withholding tax)	284,715	214,013
Investment income received from structured deposits	6,520	7,215
Repayment of loan from a joint venture	210,000	52,920
Interest received	4,433	25,617
Payment for purchases of property, plant and equipment, construction in progress and intangible assets	(137,895)	(198,564)
Net cash generated from investing activities	417,773	201,201
Financing activities		
Proceeds from new bank loans	838,574	580,554
Repayment of bank loans	(962,613)	(522,500)
Interest paid on bank loans	(123,409)	(27,357)
Dividends paid to:		
-equity shareholders of the Company	(105,401)	(338,983)
-non-controlling interests of a subsidiary	(6,101)	-
Capital element of lease rentals paid	(1,997)	(690)
Interest element of lease rentals paid	(148)	(76)
Repayment of capital reduction to Shenzhen Expressway Corporation Limited (“Shenzhen Expressway”)	(265,943)	-
Net cash used in financing activities	(627,038)	(309,052)
Net increase in cash and cash equivalents	187,781	(65,481)
Cash and cash equivalents at 1 January	474,015	1,859,996
Effect of foreign exchanges rates changes	3,630	896
Cash and cash equivalents at 30 September	665,426	1,795,411

MERGER ACCOUNTING FOR BUSINESS COMBINATION INVOLVING AN ENTITY UNDER COMMON CONTROL

On 18 August 2022, the Company entered into a subscription agreement with Shenzhen Expressway, an intermediate holding company of the Company, pursuant to which the Company has conditionally agreed to inject RMB2,998,000,000 to the Shenzhen Guangshen Coastal Expressway Investment Company Limited (the “Coastal Company”) to obtain 51% of the enlarged equity interest in the Coastal Company, and the remaining 49% continue to be held by Shenzhen Expressway upon completion (the “Subscription”).

The principal activities of the Coastal Company are investment, construction and operation of the Coastal Expressway (Shenzhen Section) in the PRC. Details of the Subscription are set out in the Company's circular dated 23 September 2022. The Subscription was completed on 30 November 2022.

The Subscription is accounted for as a business combination under common control as the Group and the Coastal Company are both controlled by Shenzhen Investment Holdings Co., Ltd before and after the Subscription and that control is not transitory.

The consolidated statement of financial position of the Group as at 31 December 2021 has been restated to include the assets and liabilities of the Coastal Company as if the current group structure had been in existence as at 31 December 2021. The effect of restatements on the consolidated statement of financial position were reflected in the 2022 annual financial statements.

The consolidated statement of profit or loss, consolidated statement of other comprehensive income and condensed consolidated statement of cash flow for the nine months ended 30 September 2022 have been restated to include the operating results of Coastal Company as if the acquisition had been completed since the date the respective business came under the common control of the Company.

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 nine months ended 30 September 2023.

On behalf of the Board
Xiangwen LIAO*
Chairman

Hong Kong, 24 October 2023

As at the date of this announcement, the Board comprises four Executive Directors namely, Mr. Xiangwen LIAO (Chairman), 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, Ms. Siyan CHEN* and Mr. Xuan WANG*; and three Independent Non-executive Directors namely, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*.*

** For identification purpose only*