

For Immediate Release

25 February 2022

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 2021 Final Results

Highlights

- Net toll revenue increased by 24% YoY to RMB1,955 million was primarily because the GS Superhighway and the GZ West Superhighway implemented the policy of waiver of tolls introduced by the PRC government in 2020 for 79 days, resulting in a low comparison base.
- Profit attributable to owners of the Company fell by 12% YoY to RMB609 million, representing a basic earnings per share of RMB19.77 cents, mainly due to net profit of approximately RMB409 million recorded from the disposal of 22.5% equity interest in the Xintang JV last year. Excluding this one-off net profit, the profit attributable to owners of the Company would have increased by 118% YoY.
- Proposed final dividend of RMB10.45 cents per share, representing a regular dividend payout ratio of 100% for the year.
- On 11 January 2022, SIHC, the ultimate controlling Shareholder of the Company, completed the sale and purchase of approximately 71.83% of the total issued Shares held by SIHC with Shenzhen Expressway. Upon completion of the Transaction, Shenzhen Expressway becomes the controlling Shareholder of the Company.

(February 25, 2022 – 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 2021.

During the year under review, the Company’s share of net toll revenue of the two expressway projects increased by 24% YoY to RMB1,955 million. The increase was primarily because the GS Superhighway and the GZ West Superhighway implemented the policy of waiver of tolls introduced by the PRC government in 2020 for 79 days, resulting in a low comparison base. Profit attributable to owners of the Company fell by 12% YoY to RMB609 million, mainly due to net profit of approximately RMB409 million recorded from the disposal of 22.5% equity interest in the Xintang JV last year. Excluding this one-off net profit, the profit attributable to owners of the Company would have increased by 118% YoY.

The Board has proposed a final dividend of RMB10.45 cents per share for the year ended 31 December 2021. The Company maintained a healthy financial position and the Board believes the full-year regular dividend payout ratio target of 100% on recurring income will be sustainable.

Shenzhen Expressway has become the controlling Shareholder of the Company. Capitalising on the controlling Shareholder's extensive and integrated capabilities on expressway investment, construction, operations and management, experiences on land development and construction, and premier resources on assets, synergistic effects will be created with the Company's businesses, further enhancing the operating effectiveness of the GS Superhighway and the GZ West Superhighway, accelerating the implementation of the expansion of GS Superhighway and the potential land development projects along the route, promoting the resource integration, capital operation and business synergy of both parties, expanding the Company's asset scale and business development capabilities, further enhancing the Company's profitability and investment value, and creating stable and good returns for the Shareholders.

In 2021, the average daily toll revenue and average daily full-length equivalent traffic of the GS Superhighway grew 24% and 26% YoY to RMB8.09 million and 93,000 vehicles respectively; the average daily toll revenue and average daily full-length equivalent traffic of the GZ West Superhighway grew 26% and 23% YoY to RMB3.76 million and 53,000 vehicles respectively. Toll revenue first rose then fell during the year and still recorded a relatively substantial YoY growth was mainly because the implementation of the policy of waiver of tolls introduced by the PRC government in 2020. As a result, the toll revenue in the first half of 2021 recorded a significant increase due to a relatively low comparison base. In the second half of 2021, the toll revenue recorded negative YoY growth, and partially offset the increase in the first half of the year, which was mainly due to the emergence of local confirmed cases of COVID-19 in cities along the GS Superhighway and the GZ West Superhighway, leading to a reduction in citizen's travel.

The expansion of the GS Superhighway continues to advance as planned. The feasibility report of the expansion work is currently subject to revision pursuant to the comments received from the preliminary review by relevant government departments and the investigation results of the survey and design work. After the revisions, the stage to submit application for work approval will be entered in order to strive to officially commence the expansion work in 2023.

The public consultation notice on the change of the nature of land use of land parcels around Luogang Interchange of the GS Superhighway has ended in October 2021. The relevant government departments have not announced the relevant decision yet. If the planning is implemented, Luogang Interchange would be reconstructed. The government shall resume the vacated land plots from GS JV, and will put up for bidding and auction. Currently, GS JV is negotiating with the local government on the exact size of the land parcels that will be handed over and the terms of the resumption (including the compensation sum). The Company is also negotiating with partner to establish a joint venture and will participate in the bidding for land use rights after the resumed land plot is put up for auction by the local government.

The Xintang interchange residential project has been named as the Grand Park City. During the year under review, the contracted sales amounting to approximately RMB1,368 million, representing the average sales price of RMB28,000 per square metre.

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
	2020	2021	
Net toll revenue	1,573	1,955	+24%
Results of toll expressway projects	256	629	+146%
Net profit of disposal of 22.5% equity interest in Xintang JV	409	-	n/a
Profit before net exchange gain	621	593	-5%
Net exchange gain	73	25	-65%
Profit attributable to owners of the Company	689	609	-12%

Operational Highlights

	For the year ended 31 December		% Change
	2020	2021	
Average Daily Toll Revenue (RMB '000)			
GS Superhighway	6,509	8,087	24%
GZ West Superhighway	2,994	3,758	26%
Average Daily Full-Length Equivalent Traffic^{N1} ('000 vehicles)			
GS Superhighway	74	93	26%
GZ West Superhighway	43	53	23%

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 total number of days in the year under review.

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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.

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
 Gia Yuan
 Tel : (852) 3641 1317
 Fax : (852) 2598 1588
 Email : giayuant@wsfg.hk