

For Immediate Release

March 8, 2020

## Shenzhen Investment Holdings Bay Area Development Company Limited

深圳投控灣區發展有限公司

(Stock Codes: 737 (HKD counter) and 80737 (RMB counter))

### Shenzhen Investment Holdings Bay Area Development Company Limited Announces 2019 Final Results

#### Highlights

- Driven by the steady growth in net toll revenue and traffic of the GZ West Superhighway, the Company's share of its net profit increased by 17% YoY to RMB189 million
- Due to the impact of traffic diversion and construction works implemented, the net toll revenue and net profit of the GS Superhighway both decreased YoY
- The Company's net profit increased by 2% YoY to RMB612 million, mostly benefiting from the decrease in exchange loss
- Total dividend of RMB19.9 cents per share (proposed final dividend of RMB10.1 cents per share and paid interim dividend of RMB9.8 cents per share), representing a regular dividend payout ratio of 100% for the year
- During the year, the name of the Company was changed to "Shenzhen Investment Holdings Bay Area Development Company Limited 深圳投控灣區發展有限公司"
- In November 2019, the Xintang JV (37.5% equity interest held by the Company) was established with the subsidiaries of Guangdong Provincial Communication Group Company Limited to bid for the land use rights of the Project Land for residential use of Xintang Interchange. In December 2019, the Xintang JV won the bid for the land use rights of the Project Land for residential use of Xintang Interchange for RMB4,124 million

(March 8, 2020 – 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 2019.

During the year under review, the net toll revenue of the two expressway projects shared by Bay Area Development decreased by 1% to RMB2,144 million as compared to 2018. The total net profit of the expressway projects decreased slightly by 2% to RMB676 million, as compared to 2018. Given exchange loss on the GS JV's US Dollar and HK Dollar loans shared by the Company substantially decreased, as a result, profit attributable to owners of the Company increased by 2% YoY to RMB612 million (or RMB19.86 cents per share).

The Board has proposed a final dividend of RMB10.1 cents per share (equivalent to HK11.320989 cents per share at the exchange rate of RMB1:HK\$1.12089) for the year ended 31 December 2019. Together with the paid interim dividend of RMB9.8 cents per share, the total dividends for the year will amount to RMB19.9 cents per share, representing a regular dividend payout ratio of 100% for the year. Subject to shareholders' approval at the 2020 Annual General Meeting to be held on 22 May 2020, the proposed final dividend will be paid on 7 July 2020 to Shareholders registered at the close of business on 28 May 2020. Given that the steady dividend from the GS JV provides solid bases for the Company's dividend payment, the Board believes that the Company will maintain the target regular dividend payout ratio of 100% on a full-year basis sustainable after the end of the epidemic and recovery of economy.

Mr. Zhengyu Liu, Chairman and Non-executive Director of Bay Area Development, said: "Going onward, the novel coronavirus pneumonia epidemic will inevitably have short-term impact on the Chinese economy and even on the world. However, we believe that the economic fundamentals of Guangdong Province, especially the Greater Bay Area, are still solid. The GS Superhighway and the GZ West Superhighway as important transportation hubs in the Greater Bay Area can continue to benefit from the economic development of the Greater Bay Area."

During the year under review, due to the impact of traffic diversion, construction works implemented and higher ETC discount, the average daily toll revenue and average daily full-length equivalent traffic of the GS Superhighway declined by 3% and 2% YoY to RMB8.84 million and 100,000 vehicles respectively. Although vehicles previously diverted to the GZ West Superhighway returned to Foshan Ring Road due to withdrawal of the truck restrictions imposed on Foshan Ring Road since 2019, the growth of the GZ West Superhighway remained steady, with the average daily toll revenue and average daily full-length equivalent traffic for the year increasing by 5% and 9% YoY to RMB4.15 million and 59,000 vehicles respectively, which offset the impact of the higher ETC toll discount.

During the year under review, a subsidiary of the Company and the subsidiaries of the Guangdong Provincial Communication Group Company Limited established the Xintang JV (the Company owns 37.5% of the equity interest) to bid for the land use rights of the Project Land for residential use of Xintang Interchange. Xintang JV successfully acquired the land use rights of the Project Land for residential use of Xintang Interchange for RMB4.124 billion through tender in December 2019 and will engage in the subsequent development of residential project on the land. The Company believes that the value of the land can be maximised as the Xintang JV acquired the land use rights of the Project Land through tender and engages in the subsequent development of the residential projects. By investing in the Xintang JV, the Company will benefit from the results of the Project Land development and create better returns for shareholders.

For more details please refer to the announcement posted on the Bay Area Development website (<http://www.sihbay.com/home.htm>).

## Financial Highlights

( in million RMB )	For the year ended 31 December		% Change
	2018	2019	
Net toll revenue	2,160	2,144	-1%
EBITDA of toll expressways	1,921	1,875	-2%
Profit before net exchange loss	672	643	-4%
Profit attributable to owners of the Company	601	612	+2%

## Operational Highlights

	For the year ended 31 December		% Change
	2018	2019	
<b>Average Daily Toll Revenue (RMB '000)</b>			
GS Superhighway	9,154	8,835	-3%
GZ West Superhighway	3,952	4,150	+5%
<b>Average Daily Full-Length Equivalent Traffic<sup>N1</sup> ('000 vehicles)</b>			
GS Superhighway	102	100	-2%
GZ West Superhighway	54	59	+9%

*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.

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  
 Cecilia Ip / Khloe Li  
 Tel : (852) 3641 1317 / (852) 3970 2106  
 Fax : (852) 2598 1588  
 Email : [ceciliaipoy@wsfg.hk](mailto:ceciliaipoy@wsfg.hk) / [khloelixy@wsfg.hk](mailto:khloelixy@wsfg.hk)