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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)

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Highlights

- Driven by the steady growth in net toll revenue and traffic of the GZ West Superhighway, the Group'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 Group'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 Group) 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

CHAIRMAN'S STATEMENT

Financial Results and Dividend Proposal

It is my honour to report on behalf of the Board to Shareholders the Group's final results for the financial year ended 31 December 2019. The Group's net profit of the toll expressway projects was RMB676 million, profit attributable to owners of the Company was RMB612 million, and basic earnings per share stood at RMB19.86 cents.

The Board has proposed a final dividend of RMB10.1 cents per share for the year ended 31 December 2019. Together with the interim dividend of RMB9.8 cents per share paid on 31 October 2019, total dividend for the year amounted to RMB19.9 cents per share, represents a dividend payout ratio of 100% of the profit attributable to owners of the Company. Payment of the final dividend is subject to approval at the 2020 Annual General Meeting.

Operating Environment

In 2019, the China-US trade conflict and Brexit increased the volatility of global markets and hindered the global economic growth momentum. Due to lower manufacturing data in major developed markets during the year, many countries eased their monetary policies. Central banks including the US Federal Reserve also cut interest rates time after time, in order to stimulate market investment sentiment and avoid the risks of economic downturn. In view of the complex and volatile environment abroad, the Chinese government implemented a series of policies during the year, with an aim to optimise the business environment, enhance protection of property rights and promote employment. Such policies included trim down financing costs through market reform, reducing VAT rates and social insurance premium rates with a view to mitigate the challenges faced by companies in operation and production, underpin real economy, strengthen investor confidence in the market and maintain a stable overall economic growth. Implementation of these policies boosted the economy and business environment steadily with the GDP increasing by 6.1% year-on-year in line with the growth target of 6% - 6.5% for the year. Meanwhile, China and US eventually announced signing a phase 1 trade agreement in December after one and a half years of trade friction between the two countries and the UK's membership in the European Union officially ended at the end of January 2020, which eliminated market uncertainties and shored up market confidence. But the novel coronavirus pneumonia epidemic is still ongoing in the world and in China recently, bringing uncertainties to the economic development of China and of the world in 2020.

Developing the Guangdong-Hong Kong-Macao Greater Bay Area is a crucial development strategy of the PRC. After launching the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area in February 2019, the State Council of the PRC released the Opinion on Building Shenzhen into a Pilot Demonstration Area of Socialism with Chinese Characteristics in August, creating an unprecedented opportunity with synergies of two areas. As the GS Superhighway and the GZ West Superhighway operated by the Group connect core areas of the Greater Bay Area, we believe that we can benefit from the great traffic volume brought by the increasingly frequent business activities thanks to a series of favorable policies and action plans rolled out by provinces and cities for the purpose of carrying out the plans and meeting the targets.

Business Review and Prospects

As a major overseas-listed platform under Shenzhen Investment Holdings Co., Ltd, being our controlling shareholder, the Group's development strategy will focus on the infrastructure and correlated business within the Greater Bay Area in the future. The Company has formally changed its name and its shares were traded under the new stock short name with effect from 19 June 2019, so as to reshape a clearer corporate image in the market and further highlight that its business development strategy and direction focus on the Greater Bay Area.

Owing to the arrangement of the Ministry of Transport for the expressway industry, provincial boundary expressway toll stations have all removed nationwide by the end of 2019, and Guangdong Province also formally merged into the national network, which allows swift non-stop toll collection on expressways. In order to accelerate the promotion of electronic toll collection ("ETC") usage, Guangdong Province has adjusted toll discount for vehicles using ETC payment cards on expressways within the province to align with the national standard, increasing the discount rate from 2% to 5%, effective from 1 July 2019. Due to increasing ETC electronic payment card users and the higher discounts, the policy has a direct impact on the toll revenue of the GS Superhighway and the GZ West Superhighway. However, we believe that the popularisation of ETC electronic payment cards allows vehicles to enter and exit expressways more quickly, which will help improve the service qualities and capacity of expressways in the long run.

During the year under review, the operational fundamentals of the Group remained sound and its overall business maintained stable, despite the slowdown in domestic economic growth. The average daily toll revenue and average daily full-length equivalent traffic of the GS Superhighway decreased by 3% and 2% respectively, mainly due to traffic diversion from adjacent roads, maintenance and repair works on some sections and the higher discounts on ETC toll; average daily toll revenue and average daily full-length equivalent traffic of the GZ West Superhighway continued to grow steadily by 5% and 9% respectively, mainly due to the improving regional expressway network and continuous development of cities in the western Greater Bay Area such as Hengqin in Zhuhai, which offset the impact of the higher ETC toll discount.

In addition, great progress has been made in the land development and utilisation of the Xintang Interchange on the GS Superhighway. The Group and the subsidiaries of Guangdong Provincial Communication Group Company Limited established the Xintang JV in November 2019 to bid for the land use rights of the Project Land for residential use of Xintang Interchange and it won the tender in December the same year. We believe that the value of the land can be maximised as the Xintang JV won the bid and engages in the subsequent development of the residential project. By investing in the Xintang JV, the Group can benefit from the results of Project Land development and create better returns for shareholders. The Group will continue to promote the potential development and utilisation of land along the GS Superhighway, so as to actively support the strategies of local governments for urban planning, and take initiative to participate in and explore win-win land planning schemes of the local governments.

Confronted with the severe novel coronavirus pneumonia epidemic for the moment, the Group and our two JV companies will actively cooperate with local governments to carry out the infection prevention and control work and keep the expressways in smooth traffic condition at the same time. The Ministry of Transport published a notice to extend the Holiday Toll-free Policy during the Lunar New Year in 2020 for small passenger vehicles with 7 seats or less from the original 7 days to 16 days due to the epidemic, so as to shift peak period travel of vehicles. In addition, commenced from 00:00 a.m. on 17 February 2020 till the end of the prevention and control of the epidemic, tolls of toll roads will be waived nationwide, specific end date is subject to further notice. As a result, the toll revenue of the GS Superhighway and the GZ West Superhighway for 2020 will decrease. Going onward, the epidemic will inevitably have short-term impact on the Chinese economy and even on the world and uncertainties such as the subsequent development of the China-US trade dispute, 2020 US president election and geopolitical tensions may also bring concerns to the global economic growth. 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. The Group will also keep identifying opportunities for business development in the Greater Bay Area.

Appreciation

Here I would like to extend my heartfelt gratitude to the Directors, senior management and all staff members of the Group for their hard work in the past year. At the same time, I also thank all our Shareholders for their support, as well as enduring trust and support from our banks and business partners. Looking forward, the Group will continue to seize the development opportunities in the Greater Bay Area and create greater value for shareholders in the long term.

Zhengyu Liu*
Chairman

Hong Kong, 8 March 2020
** For identification purpose only*

Final Dividend

The Board has proposed a final dividend of RMB10.1 cents per share (equivalent to HK 11.320989 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. The dividend represents a 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.

Subject to Shareholders' approval at the 2020 Annual General Meeting to be held on Friday, 22 May 2020, the proposed final dividend will be paid on Tuesday, 7 July 2020 to Shareholders whose names have been registered at close of business on Thursday, 28 May 2020.

If the proposed final dividend is approved by the Shareholders at the 2020 Annual General Meeting, it will be payable in cash in RMB or HK Dollars, or a combination of these currencies, at the exchange rate of RMB to HKD as published by The People's Bank of China on Friday, 6 March 2020 and Shareholders will be given the option of electing to receive the final dividend in either RMB or HK Dollars or a combination of RMB and HK Dollars.

To make the dividend election, Shareholders should complete the Dividend Election Form (if applicable) and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shop 17M, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Wednesday, 17 June 2020. **If no dividend election is made by a shareholder, such shareholder will receive the final dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

Closure of Register

To ascertain shareholders' eligibility to attend and vote at the 2020 Annual General Meeting to be held on Friday, 22 May 2020, the Register of Members of the Company will be closed from Monday, 18 May 2020 to Friday, 22 May 2020, both days inclusive, during which period no transfer of shares of the Company will be effected. In order to qualify to attend and vote at the 2020 Annual General Meeting, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, 15 May 2020.

To ascertain shareholders' entitlement to the proposed final dividend, the Register of Members of the Company will be closed for one day on Thursday, 28 May 2020, if and only if the proposed final dividend is approved by the shareholders at the 2020 Annual General Meeting. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the proposed final dividend, all transfers of share ownership, accompanied by relevant share certificates, must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Wednesday, 27 May 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Overall Business Performance

During the year under review, the aggregate average daily toll revenue of the GS Superhighway and the GZ West Superhighway (also known as the “Western Delta Route”) declined slightly by 1% YoY to RMB12.99 million and the total toll revenue amounted to RMB4.74 billion.

In order to accelerate the promotion of the electronic toll collection ("ETC") usage, Guangdong Province increased the discount rate from 2% to 5% across the province from 1 July 2019 for vehicles using ETC payment cards on expressways to align with national standards. Due to increasing ETC payment card users and rising discounts, the policy has a direct impact on the toll revenue of the GS Superhighway and the GZ West Superhighway.

Apart from the impact of 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 in 2019, mainly due to traffic diversion and construction works implemented. 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, 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.

During the year under review, the Group’s shared aggregate net toll revenue declined slightly by 1% YoY to RMB2.144 billion. Contributions from the GS Superhighway and the GZ West Superhighway were 66% and 34%, respectively.

Year	*2018*	***2019***	*% Change*
At JV level			
GS Superhighway			
Average daily toll revenue# (RMB ’000)	9,154	**8,835**	-3%
Average daily full-length equivalent traffic* (No. of vehicles ’000)	102	**100**	-2%
GZ West Superhighway			
Average daily toll revenue# (RMB ’000)	3,952	**4,150**	+5%
Average daily full-length equivalent traffic* (No. of vehicles ’000)	54	**59**	+9%

 # Including tax

** 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. It can better reflect road usage as it takes into account total travelling distance by all vehicles on the expressway and is a standard operational statistic used throughout the industry*

Operating Environment

The growth momentum of domestic economy is resilient

The economy of the PRC became volatile in 2019 and downward pressure was high due to uncertainties increasing dramatically home and abroad and the China-US trade friction. Although the GDP growth slowed down to 6.0% YoY for the fourth quarter as compared to 6.4% YoY for the first quarter, growth rate for the year still reached 6.1% YoY, which was in line with the annual growth target of 6% to 6.5%. To cope with economic slowdown, the PRC government actively implemented a series of prudent monetary policies and enhanced the macro regulation on the downward trend through economic policies during the year, so as to support the development of real economy and provide resilience for the overall domestic economy. The investor confidence in the market restored gradually upon signing of the phase 1 trade agreement between the PRC and the US. Furthermore, as the PRC government repeatedly highlighted that construction of the moderately prosperous society shall fully complete in 2020, the steady approach of economic policies is expected to continue with a goal of steady economic development. In 2019, the economic growth of Guangdong Province maintained favorable with GDP for the year increasing by 6.2% YoY in the region. Further improvement in the innovation capacity of the province boosted the reform and upgrade in related industries in adjacent regions, facilitating the demand on logistics and transportation continuously.

Abundant opportunities generated by the Guangdong-Hong Kong-Macao Greater Bay Area (the “Bay Area”)

Regional development of the Guangdong-Hong Kong-Macao Greater Bay Area is driven by four core cities, namely Hong Kong, Macao, Guangzhou and Shenzhen. The Bay Area is also composed of important hub cities such as Zhuhai, Foshan, Huizhou, Dongguan, Zhongshan, Jiangmen and Zhaoqing, with a total area of approximately 56,000 square kilometres and a total population of more than 71 million at the end of 2019. In 2019, GDP of the area exceeded RMB11 trillion, which accounted for approximately 12% of Mainland China’s GDP. It is one of the most active regions in the PRC in terms of economy with remarkable regional advantages and great development potential.

** Include HKSAR, Macao SAR, Guangzhou, Shenzhen, Zhuhai, Dongguan, Huizhou, Zhongshan, Foshan, Zhaoqing and Jiangmen*
^ Calculated based on the average exchange rate of RMB1 to HKD1.1332 in 2019 (Census and Statistics Department, HKSAR)
 # Calculated based on the average exchange rate of RMB1 to MOP1.1673 in 2019 (Statistics and Census Service, Macao SAR)
Source: Statistics Bureau of Guangdong Province, Census and Statistics Department, HKSAR, Statistics and Census Service, Macao SAR

Developing the Guangdong-Hong Kong-Macao Greater Bay Area is a crucial development strategy of the PRC and is formally carried out upon the launching of the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area (“Outline Plan”) on 18 February 2019. To support the development plan of the PRC and further strive for the strategic position and development targets set for the Bay Area in the Outline Plan, Guangdong Province, Shenzhen and Dongguan published detailed action plans successively, including the 3-year Action Plan of Guangdong Province for Building the Guangdong-Hong Kong-Macao Greater Bay Area (2018-2020), 3-year Action Plan of Municipal State-owned Enterprises in Shenzhen Regarding Partaking in the Development of the Guangdong-Hong Kong-Macao Greater Bay Area (2019-2021) and Opinion of the Municipal Government of Dongguan on Implementation of the Development Strategies of the Guangdong-Hong Kong-Macao Greater Bay Area and Building of National Innovation Cities in All Aspects. Taking advantages actively and enhancing communication and cooperation, these regions will facilitate the constructions in the Bay Area practically, support the diversified and sustainable economic development and build the Bay Area into an international first-class bay area and a world-class city cluster by 2022 as a new economic driver of the PRC.

In this regard, Guangdong Province announced a 3-year action plan in early July 2019. In terms of industry development, it is proposed in the document to push forward development of the Guangzhou-Shenzhen-Hong Kong-Macao Science and Technology Innovation Corridor; to enable the mobility of key factors of innovation and the intercommunication among technology facilities while establishing cross-boundary cooperation platforms through science parks, high-tech industrial development zones and high-tech industrial bases along the corridor; and to set up 3 key cooperation zones for scientific innovation in the boundary district between Shenzhen and Hong Kong, Hengqin New Zone and Nansha District. In terms of promoting scientific innovation, Guangdong Province focused on providing support in areas such as construction planning, land approval, funding arrangements and talent policies to attract and retain outstanding talents in the Bay Area. In terms of transport, it is proposed in the document to build a rapid intercity transport network, to enhance transport link between the eastern and western banks of the Pearl River and to accelerate the expansion works at busy sections of certain state-level expressways, such as the Beijing-Hong Kong-Macao Expressway. Such policies supported the GS JV in accelerating the expansion of the GS Superhighway.

On the other hand, the State Council published the Opinion on Building Shenzhen into a Pilot Demonstration Area of Socialism with Chinese Characteristics in August 2019, highlighting the formation of high quality development system and expressing detailed requirements on various aspects including scientific innovation, interconnection between financial markets, talent attraction and sustainable development. It also supported Shenzhen in the development of key innovation carriers such as 5G and artificial intelligence as well as the acceleration of building it into a smart city and big-data center for the Guangdong-Hong Kong-Macao Greater Bay Area. It further proposed that building Shenzhen into a modern international and innovation-oriented city by 2025 is crucial for the development of the Bay Area.

Interconnection of transport infrastructure is essential for the economic development of the Bay Area. Especially, the HZM Bridge and the Nansha Bridge, which were officially commissioned in October 2018 and April 2019 respectively, as important passages connecting the eastern and western banks of the Bay Area, have further improved the traffic system and structure of the Bay Area, facilitated the synergetic development of both banks significantly and boosted the traffic volume on the GS Superhighway and the GZ West Superhighway. In December 2019, Guangdong Province became one of the pilot areas for building the PRC into a major transport country. Key tasks include expansion of expressways and achieving the target of building a modern and comprehensive traffic system in 3 to 5 years. Leveraging on its remarkable economic advantages and a series of favourable policies, the Bay Area is expected to further enhance the connection, coordination and development of the regions and promote higher traffic volume, visitor flow and logistic demand. As the GS Superhighway and the GZ West Superhighway operated by the Group connect core areas of the Bay Area, their operating performances will benefit from the great traffic volume brought by the increasingly frequent business activities.

Latest Updates on Industry Policies

Removal of provincial boundary expressway toll stations

The State Council of the PRC proposed to achieve swift non-stop toll collection through the removal of most provincial boundary expressway toll stations nationwide within two years in its Government Work Report 2019. In line with the national plan, Department of Transportation of Guangdong Province published its implementation plan in June 2019. Relevant works have been completed by the end of 2019 and the systems have been switched successfully, indicating that Guangdong Province has been formally merged into the national network. Based on this implementation plan, significant adjustments have been made to the toll collection mode of expressways, including (1) switching from the former mode where one-off tariffs are collected at toll station exits to sectional tariffs based on actual driving route; (2) enhancing the effort in promoting ETC usage; (3) adjusting toll collection mode for trucks from the former toll-by-weight basis to one where tariff rates are determined based on vehicle type. Under the new toll collection mode, not only will manpower need be lowered for entries and exits of toll stations to help save on staff costs in the long run, vehicles will also enjoy faster access to expressways and improved service quality. To support relevant plans, 158 and 65 additional ETC lanes and ETC-Manual combined lanes were installed in the GS Superhighway and the GZ West Superhighway respectively, for the purpose of improving the overall passage efficiency.

Adjustment to ETC discount

In order to accelerate the promotion of ETC usage, Guangdong Province has adjusted toll discount for vehicles using ETC payment cards on expressways within the province to align with the national standard, increasing the discount rate from 2% to 5%, effective from 1 July 2019. During the second half of 2019, tolls collected through means of ETC payment cards on the GS Superhighway and the GZ West Superhighway accounted for approximately 53% of the overall toll revenue, higher than approximately 45% for the first half of 2019. The average daily exiting traffic volume of vehicles using ETC payment cards also increased from approximately 45% for the first half of 2019 to approximately 54% for the second half of the year. With implementation of the policies, it is expected that the ETC usage rate will grow further and it may have a short-term negative impact on the toll revenue of the Group.

Adjustment to Vehicle Classification of the Toll for Highway

On 30 May 2019, Ministry of Transportation of the PRC published the new industry standard on Vehicle Classification of the Toll for Highway to replace the one issued in 2003. Based on this latest industry standard, vehicles are classified into three main types: namely passenger vehicles, goods vehicles (or trucks) and special motor vehicles. By authorised passenger capacity, passenger vehicles are further classified into four types. Those with a passenger capacity of 8 to 9 are reclassified to Class 1 from the original Class 2 while classifications of other passenger vehicles remain unchanged. Trucks and special motor vehicles are classified into six types by total number of axles, vehicle length and maximum authorised total weight. Tariff standard for expressways within Guangdong Province were revised based on the new standard on vehicle classification and the basic tariff rate remains unchanged at RMB0.6 per kilometre for each vehicle for the expressways with 6 lanes or above. Tariff multiplier for passenger vehicles remains unchanged and tariff multipliers for trucks was added. The new tariff standard officially came into effect on 1 January 2020.

Vehicle Classification and Tariff Multiplier of the Toll for Highway in Guangdong Province

Class	Passenger vehicle		Truck		Special motor vehicle	
	No. of passengers	Tariff Multiplier	No. of axles	Tariff Multiplier N2	No. of axles	Tariff Multiplier
1	≤9	1	2 N3	1	2 N3	1
2	10-19	1.5	2 N4	2.1	2 N4	2.1
3	≤39	2	3	3.16	3	3.16
4	≥40 N1	3	4	3.75	4	3.75
5	-	-	5	3.86	5	3.86
6	-	-	6	4.09	≥6	4.09

N1: Large passenger vehicle with 40 seats above will be charged as Class 3
N2: For >6-axle truck: charge on the basis of Class 6 and tariff multiplier will increase by 0.17 for each additional axle
N3: Vehicle length <6 metres and maximum authorised weight <4.5 tonnes
N4: Vehicle length ≥6 metres or maximum authorised weight ≥4.5 tonnes

Throughout 2019, toll revenue from Class 2 passenger vehicles of the GS Superhighway and the GZ West Superhighway accounted for approximately 1% only of the overall toll revenue. Impact of the revision to the classification of passenger vehicles on toll revenue is expected to be minimal. For trucks, the switch from toll-by-weight to toll-by-vehicle-type is essentially a return to the toll collection mode before 2014. As the new tariff standard is mainly based on the principle of not increasing the overall tariff burden of trucks as well as balancing and slightly reducing tariff based on vehicle types and toll-by-weight tariff, it is expected to have insignificant impact on the overall toll revenue. The Group will continue to pay close attention to the changes in toll revenue.

Guangzhou and Shenzhen to Increase Quota for Vehicles

In 2019, approximately 25.8 million vehicles were sold in the domestic market of Mainland China, representing a decline from 2018. To boost consumption, the government has introduced a number of supporting measures, including preferential financial and taxation policies such as exempting vehicle purchase taxes and providing purchase subsidies for new energy vehicles. In the measures in respect of promoting commercial consumption announced in August 2019, the State Council also proposed stimulus programs for automobile consumption, such as exploration of detailed measures in respect of relaxing or cancelling purchase restrictions gradually based on the actual circumstances of the region where vehicle purchase restrictions were imposed, so as to drive up vehicle consumptions and promote the highway industry. According to statistics from the Ministry of Public Security, car ownerships reached 260 million in Mainland China at the end of 2019, representing an increase of 8.8% YoY. The increase in car ownerships will continue to drive the demand for expressway transportation. In addition, Guangzhou and Shenzhen adjusted their vehicle quota respectively, increasing with a total of 190,000 extra quota of car license plates from June 2019 to the end of 2020. Increasing vehicle quotas can further promote the overall car ownerships and boost transportation demand, which will underpin the business development of the Group's expressways.

Adjustments on the Holiday Toll-free Policy for Small Passenger Vehicles with 7 seats or less during the Lunar New Year in 2020

Due to the novel coronavirus pneumonia epidemic, the Ministry of Transport published a notice to extend the Holiday Toll-free Policy for small passenger vehicles with 7 seats or less during the Lunar New Year in 2020 from the original 7 days in aggregate (from 24 January 2020 to 30 January 2020) to a total of 16 days (ended on 8 February 2020), so as to shift peak period travel of vehicles. As a result, the toll revenue of the GS Superhighway and the GZ West Superhighway for 2020 will decrease.

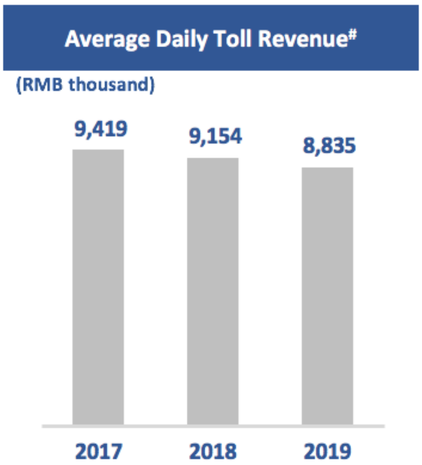
Waiver of Tolls on Toll Roads During the Prevention and Control of Epidemic Caused by the Novel Coronavirus Pneumonia

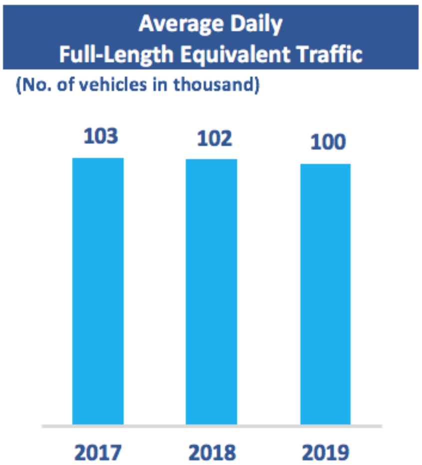
Pursuant to the Notice from the Ministry of Transport on Waiver of Tolls on Toll Roads During the Prevention and Control of Epidemic Caused by the Novel Coronavirus Pneumonia issued by the Ministry of Transport on 15 February 2020, due to the novel coronavirus pneumonia epidemic, with the approval of the State Council, commenced from 00:00 a.m. on 17 February 2020 till the end of the prevention and control of the epidemic, tolls of toll roads is waived nationwide during the period of the prevention and control of the epidemic caused by the novel coronavirus pneumonia, specific end date is subject to further notice. During the period of the prevention and control of the epidemic, tolls on the GS Superhighway and the GZ West Superhighway operated by the Group shall also be waived, it is expected to inevitably have a negative impact on the business performance of the Group. Meanwhile, according to the publications on the official website of the Ministry of Transport, the PRC government will further study and issue relevant supporting security policies to safeguard the legitimate interests of the users, creditors, investors and operators of toll roads in a coordinated manner. The Group will actively monitor the implementation of the waiver of tolls and follow up on the release of relevant supporting security policies to further assess the likely impact on its business performance.

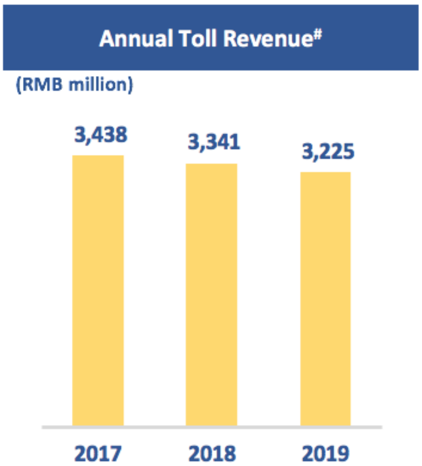
GS Superhighway

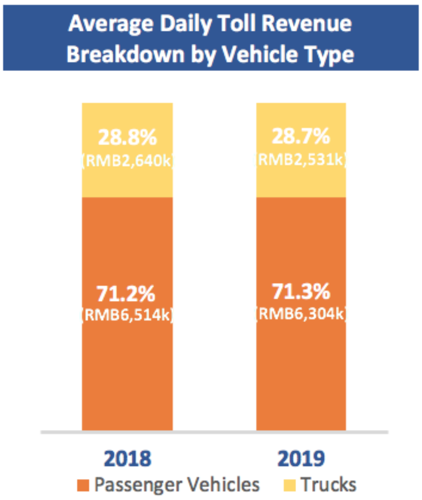
The GS Superhighway is a main expressway connecting the three major cities – Guangzhou, Dongguan and Shenzhen on the eastern bank of Bay Area to Hong Kong. The economies of cities along the expressway are well developed and growing steadily. The GDP of Guangzhou, Dongguan and Shenzhen rose 6.8%, 7.4% and 6.7% YoY respectively in 2019, providing solid support for traffic volume of the GS Superhighway. In 2019, the average daily toll revenue of the GS Superhighway fell 3% YoY to RMB8.84 million. Its total toll revenue for the year amounted to RMB3,225 million. Its average daily full-length equivalent traffic fell 2% YoY to 100,000 vehicles. The decrease in toll revenue was greater than that in full-length equivalent traffic, mainly due to higher ETC discount, which resulted in a decrease in average toll revenue per vehicle. Passenger vehicles were the major contributors to toll revenue and traffic volume, accounting for 71.3% and 83.4% of the toll revenue and full-length equivalent traffic of the GS Superhighway respectively.

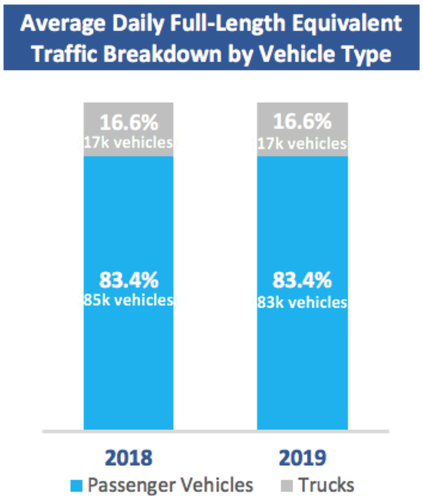
During the year, the decrease in toll revenue of the GS Superhighway was mainly due to the completion of new road networks in adjacent areas, lower traffic volume resulting from repair and landscape improvement works in some sections and higher ETC discounts in the second half of the year. Several roads located near the Guangzhou and Dongguan sections of the GS Superhighway were commissioned during 2018, including the Guangzhou Northern Third Ring Road, Phase II of the Dongguan Ring Road and the west extension of Guangzhou-Huizhou Expressway, which were successively opened to traffic in January 2018, February 2018 and October 2018, respectively. The commission of aforesaid roads further enhanced the connectivity of road networks and allowed road users more options, thereby diverting traffic for the GS Superhighway in the short-term. Moreover, a vessel collision happened at one of the channel bridges in the Xintang-Machong section of the GS Superhighway in January 2019. As a result, a main lane and an emergency lane in both northbound and southbound directions of the section had to be partially closed in phases for repair. The 2-month repair works were executed in the first quarter of 2019. As traffic diversion was implemented simultaneously during the construction period, some of the vehicles traveling through this section had to be diverted to other roads. Furthermore, in order to improve driving experience for road users, the Shenzhen and Dongguan sections of the GS Superhighway undertook landscape improvement works from the end of August 2018 and mid-March 2019, respectively. During the construction period, certain driving lanes were closed in phases, which also intermittently and slightly affected traffic volume. As relevant works were all completed during the year, traffic volume and toll revenue recovered gradually in the fourth quarter of 2019, but the increase in toll revenue was offset by the higher ETC discount. Meanwhile, from 1 March 2018 to 31 December 2020, the Shenzhen section of the Coastal Expressway, which runs parallel to the Xinqiao-Nantou section of the GS Superhighway, offers a 50% toll discount to trucks using this section. Its implementation also posed a negative impact onto the GS Superhighway's truck traffic.











\# Including tax

Commissioned in April 2019, the Nansha Bridge is another important passage crossing the Pearl River in addition to the Humen Bridge and it has enhanced traffic connectivity and efficiency across the Pearl River. For vehicles traveling across the Pearl River, they can travel to and from the Nansha Bridge via the newly opened Houjienan interchange of the GS Superhighway and the Dongguan-Panyu Expressway, as well as to and from the Humen Bridge via the Taiping interchange of the GS Superhighway. Moreover, passing of trucks and passenger vehicles with 40 seats above is prohibited on Humen Bridge with effect from mid-August 2019 and vehicles traveling across the Pearl River shall detour through Nansha Bridge or Huangpu Bridge, thereby resulting in a slightly positive effect on the toll revenue and traffic volume of the GS Superhighway.

Expansion of GS Superhighway

Linking Guangzhou, Dongguan, Shenzhen and Hong Kong, the GS Superhighway is an important traffic passage connecting the Bay Area internally and externally. As the Outline Plan and 3-year Action Plan of Guangdong Province for Building the Guangdong-Hong Kong-Macao Greater Bay Area (2018-2020) provided clear plans to accelerate the expansion of busy sections of certain state-level expressways, such as the Beijing-Hong Kong-Macao Expressway, the expansion of the GS Superhighway will be accelerated as planned. With the development of the Bay Area gaining speed, the GS JV has already carried out a feasibility study on road expansion, so as to improve traffic efficiency as well as land utilisation by increasing the number of traffic lanes on the main alignment and optimising interchange design and land use layout. Currently, a steering committee was established by the GS JV to be responsible for related works and started organising and preparing the feasibility report. Based on general procedures, the expansion works of the GS Superhighway may only commence formally upon approval of the application of the works made after completion of the feasibility report.

Potential Land Development and Utilisation of GS Superhighway

Local governments are expected to further enhance infrastructure construction and urban land planning upon the launch of the Outline Plan. The Company is currently exploring the development mode of land along the GS Superhighway with Guangdong Provincial Highway Construction Company Limited ("Guangdong Highway Construction", the joint venture partner for the GS JV) to strive for the opportunities of integrated development and realisation of value for the GS Superhighway's stock of land alongside, as well as arriving at a win-win solution on the implementation of land use plan through coordination with local governments.

In October 2019, the Company has entered into a memorandum of cooperation and two framework agreements (collectively referred to as "Documents of Intent") with Guangdong Highway Construction, which set out the principles of cooperation in relation to the potential development and utilisation of the land along the GS Superhighway. Pursuant to the Documents of Intent, the Company will lead in the potential land development projects in the Shenzhen region and hold 57.5% equity interests in relevant project company; Guangdong Highway Construction will lead in the potential land development projects in the Guangzhou region and the Company will hold 37.5% equity interests in relevant project company. For potential land development projects in the Dongguan region, the company will take the lead and hold 57.5% equity interests in relevant project company if the development opportunity is acquired by the Company with its internal resources; if Guangdong Highway Construction will take the lead in the project, the Company will hold 37.5% equity interests in relevant project company. Please refer to the voluntary announcement of the Company dated 28 October 2019 and the table below for details of the Documents of Intent.

Intended proportion of equity interest of potential land development projects

Regions	Projects intended to be led by	Intended Equity Interest	
		Bay Area Development	GD Highway Construction
Shenzhen	Bay Area Development	57.5%	42.5%
Guangzhou	GD Highway Construction	37.5%	62.5%
Dongguan	If led by Bay Area Development	57.5%	42.5%
	If led by GD Highway Construction	37.5%	62.5%

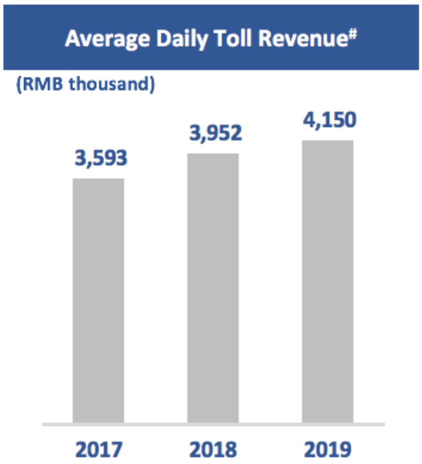
The GS Superhighway is 122.8 km in length running through Guangzhou, Dongguan and Shenzhen regions with approximately 28,000 mu (or approximately 18 million square metres) of acquired land for road construction purpose and in possession of 23 toll stations or interchanges. According to preliminary studies, it is estimated that approximately 10 toll stations or interchanges are suitable to undergo traffic layout transformation for land utilisation in order to release land for comprehensive development. Before such released land can be utilised for comprehensive land development of different types after necessary change of the nature of the land use, such released land should fulfil the urban planning requirements of local governments, the expansion plan of the GS Superhighway, complete the relevant procedures in relation to the change of land use and obtain the land use rights for future development. However, as the change of land use needs to be carried out in accordance with the relevant urban planning and regulations in the PRC, there is uncertainty as to whether the relevant procedures for the change of land use can eventually be completed and the land use rights for future development can be obtained, and as to the final type of land use, land size and completion time of any future land development.

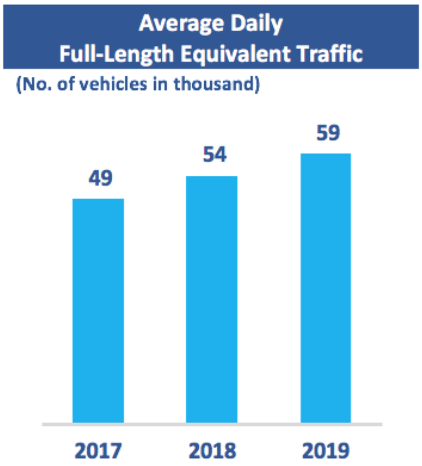
The Company had entered into a strategic cooperation framework agreement with China Vanke Co., Ltd. on 18 June 2019 to carry out all-round strategic cooperation in relation to the development and utilisation study of the land and project cooperation along the GS Superhighway traffic route and other land development projects designated by the Company. By leveraging on respective financial and technical resources and expertise of each other, both parties will achieve comprehensive cooperation in infrastructure construction in aspects such as smart cities, smart parks and intelligent transportation. Please refer to the voluntary announcement of the Company dated 18 June 2019 for details of strategic cooperation framework agreement.

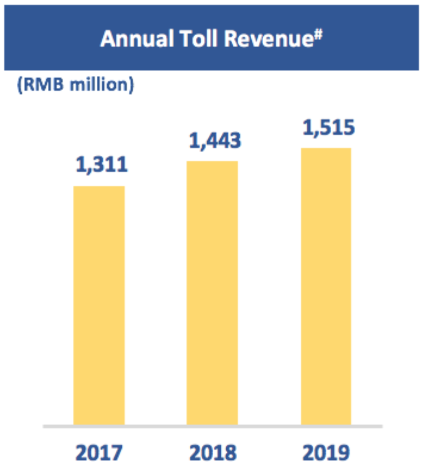
GZ West Superhighway

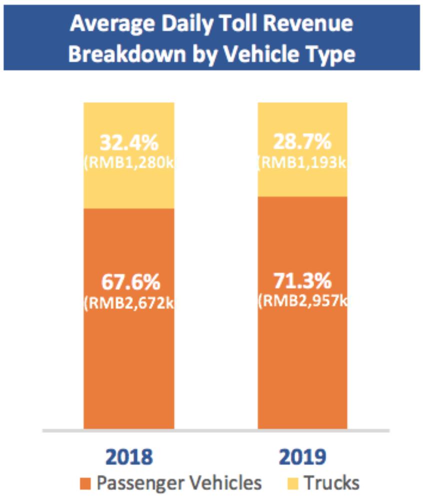
The GZ West Superhighway, measured 97.9 km in length, is a closed expressway with a total of 6 lanes in dual directions. It runs from north to south along the central axis of western PRD and connects four major cities, namely Guangzhou, Foshan, Zhongshan and Zhuhai. Being built and opened in three phases, the GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers the most convenient access to Hengqin, Macao and Hong Kong through its connection with Second Hengqin Bridge, the Zhuhai Link Road and the HZM Bridge respectively.

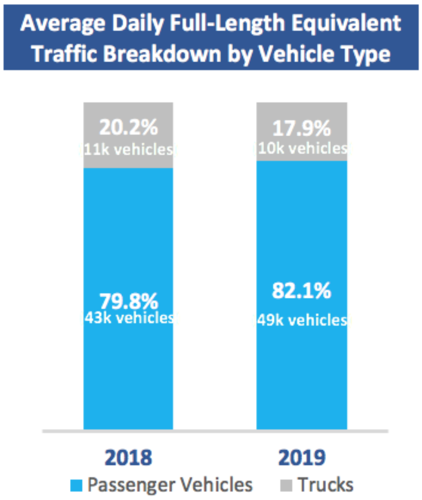
In 2019, the GZ West Superhighway's average daily toll revenue and average daily full-length equivalent traffic recorded steady growth, rising 5% and 9% YoY respectively to RMB4.15 million and 59,000 vehicles. Meanwhile, its total toll revenue for the year amounted to RMB1,515 million. The increase in toll revenue was lower than that in full-length equivalent traffic, mainly due to reduced proportion of truck traffic and higher ETC discount, which resulted in a decrease in average toll revenue per vehicle. Passenger vehicles were the major contributors to toll revenue and traffic volume, accounting for 71.3% and 82.1% of the GZ West Superhighway's toll revenue and full-length equivalent traffic respectively. The GZ West Superhighway runs through four major cities on the west bank of the Bay Area, namely Guangzhou, Foshan, Zhongshan and Zhuhai. Economy of the above cities remained sound with a GDP growth of 6.8%, 6.9%, 1.2% and 6.8% respectively in 2019, underpinning the continuous growth of traffic volume on the GZ West Superhighway. Among them, Foshan is the third city in Guangdong of which GDP exceeded RMB1 trillion in 2019 after Guangzhou and Shenzhen and it drives the development of adjacent cities as its comprehensive economic strength is improving.











Including tax

Foshan Ring Road is formerly a major local road of Foshan city located close to the northern end of the GZ West Superhighway. During the period between the second half of 2017 and 2018, restrictions banning trucks from going through its main alignment were imposed. As a result, some trucks were diverted to the GZ West Superhighway, leading to an increase in its traffic volume. As these traffic control measures came to an end in 2019, growth in toll revenue and traffic volume of the GZ West Superhighway fell correspondingly. Foshan Ring Road has been converted from a toll-free local road into a toll expressway from 2020 to connect with Guangzhou-Zhongshan-Jiangmen Expressway and Jiangmen-Zhuhai Expressway, forming an expressway corridor that runs mostly parallel to the GZ West Superhighway, linking up Foshan, Jiangmen and western Zhuhai. The Group will continue to pay close attention to the impact of its upgrade on the GZ West Superhighway. But we expect that Foshan Ring Expressway will not result in traffic diversion from the GZ West Superhighway after toll collection commences.

Commissioned on 24 October 2018, the HZM Bridge now already handles an average daily cross-boundary traffic volume of close to 4,000 vehicles. In order to boost utilisation of the bridge, all of the approximately 33,000 cross-boundary private cars allowed to use other land border crossings can also access the HZM Bridge without the need to go through additional procedures for two years since April 2019. In addition, governments of the three regions also announced in October 2019 to increase the quota for Guangdong-Hong Kong cross-boundary private cars using the HZM Bridge border crossing by 5,000 to further improve the utilisation of the bridge, enhance cross-border traffic and make better use of the bridge in the development of the Bay Area. This will attract more traffic to the GZ West Superhighway in the long term and promote the operation performance of the expressway.

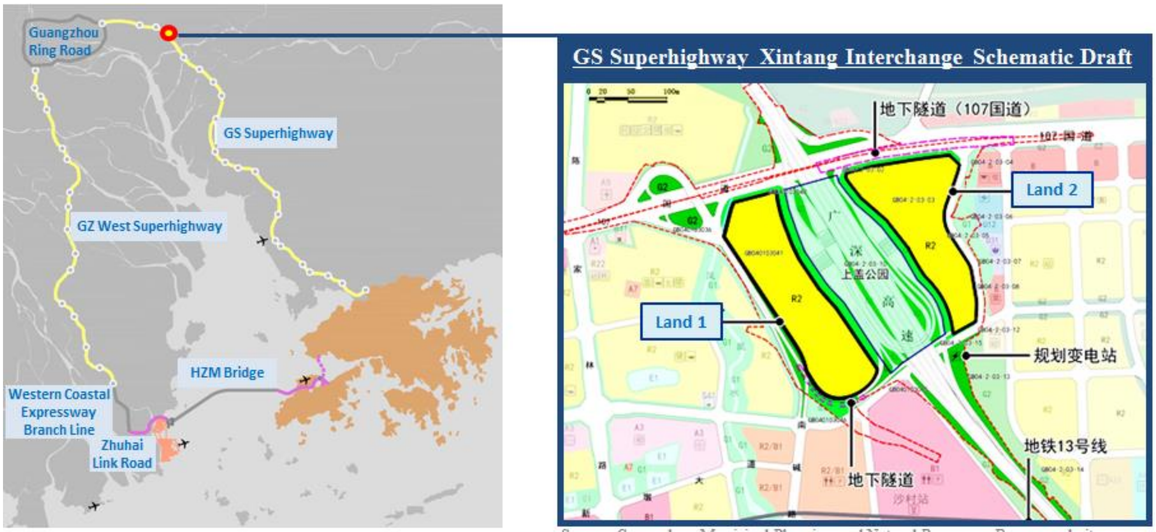
Officially commissioned on 2 April 2019, the Nansha Bridge is connected with the Guangzhou Second Ring Expressway at its western end and Dongguan-Panyu Expressway at its eastern end. Vehicles can gain quick access to the Guangzhou Second Ring Expressway and the Nansha Bridge via the Shunde East interchange of the GZ West Superhighway. Compared with another passage crossing the Pearl River – Humen Bridge, vehicles driving across the Pearl River through the Nansha Bridge can travel to and fro major cities on the west bank of Bay Area much faster via the GZ West Superhighway, which will contribute to the sustainable growth in its traffic volume.

The GZ West Superhighway is the main expressway artery between Guangzhou and Zhuhai, and offers an effective access to the Hengqin New Zone and the HZM Bridge through its connection with the expressway networks in Zhuhai. The Zhuhai Government approved on 6 September 2018 the Hengqin New Zone and Free Trade Zone, Hongwan, Wanzai Regional Integration Development Plan. Under the plan, the Hengqin New Zone and its adjacent northern area will be incorporated as part of the development plan, so that the total area under development will be expanded to about 161 square km. The plan aims at developing the territory into a new city centre in Zhuhai, while building an important economic zone that will drive regional development through strengthened cooperation among Guangdong, Hong Kong and Macao. Entering 2019, the State Council of the PRC approved the Construction Plan for Hengqin International Recreation Island and published the same in April, further clarifying the positioning of Hengqin New Zone’s development. It is to be developed into an international recreation island through a joint effort in tourism development with Macao, the introduction of tourism and recreational projects and businesses with an international presence, and the cultivation of a diversified tourism ecosystem. Hengqin New Zone has celebrated the 10th anniversary in 2019 since inception. During the rapid development in the past decade, an aggregate RMB270 billion of fixed asset investment was made and facilities and ancillaries in the zone were improving with completion and operation of a number of large-scale tourist attractions successively. The development of Hengqin New Zone is bound to stimulate transport demand and add momentum to the growth in traffic volume for the GZ West Superhighway.

Guangzhou Xintang Residential Project

Based on the urban development need, the Land Resources Bureau of Zengcheng District of Guangzhou issued a public consultation in 2018 and October 2019 on the change to the use of the mandatory planned land located at Xintang interchange in the Guangzhou section of the GS Superhighway. It was proposed to change the land use from for roads only to for Type II residential. To comply with the plans of the government, the GS JV surrendered its land use rights of part of the land located at Xintang Interchange to the local government in November 2019 and received compensation amounted to approximately RMB180 million. Subsequently, the local government announced on the Guangzhou Public Resources Trading Center to auction the land use rights of the Project Land for residential use of Xintang Interchange. The land has a total land area of approximately 200,000 square metres and a gross construction area of approximately 600,000 square metres.

Location of the Xintang Residential Project



Source: Guangzhou Municipal Planning and Natural Resources Bureau website schematic draft (11 October 2019)

In November 2019, the Group and the subsidiaries of the Guangdong Provincial Communication Group Company Limited established the Xintang JV to bid for the land use rights of the Project Land for residential use of Xintang Interchange. The Group holds 37.5% equity interests in Xintang JV and the maximum total amount to be contributed to the Xintang project shall not exceed RMB2.55 billion. 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. Please refer to the announcements of the Company dated 29 November 2019 and 27 December 2019 for details of the establishment of the Xintang JV and acquisition of the land use rights through tender respectively. As at 25 February 2020, the Group contributed RMB777 million in total into Xintang JV to pay for registered capital and land premium.

The Xintang JV will carry out the transformation work of Xintang Interchange and surrender it to the GS JV free of costs. It will also promote the construction of the residential project simultaneously. The Xintang JV intends to introduce professional property developer as strategic partner to optimise the shareholder structure and take advantage of its professionalism in developing large-scale premium residential project. Meanwhile, this move may enhance the reputation and overall benefit of the Xintang project.

FINANCIAL REVIEW

As announced by the Company on 27 August 2018, the Company changed the financial year end date from 30 June to 31 December following the publication of the audited consolidated financial statements of the Group for the year ended 30 June 2018 (the "Change of Financial Year End Date"). Subsequent to the Change of Financial Year End Date, the Group's new financial year covers the period of twelve months from 1 January to 31 December. Last year was the first financial year after the change, covering only the period of six months from 1 July 2018 to 31 December 2018 (the "second half of 2018"). This is the first financial year that covers twelve months after the Change of Financial Year End Date. Accordingly, the financial reporting period as presented in the financial statements covers the year ended from 1 January 2019 to 31 December 2019 ("2019"), while relevant comparative figures cover the second half of 2018, so it may not be comparable.

For the benefit of better understanding on the Group's operating performance for the twelve months ended 31 December after adoption of the new financial year end date and to improve the comparability of financial information, the following financial review of the Group has presented the unaudited financial results covering for the period of twelve months ended 31 December 2018 ("2018") as comparatives.

The Group's results for the twelve months ended 31 December 2018 and the year ended 31 December 2019 were as follows:

RMB million	Twelve months ended 31 December 2018 (unaudited)					**Year ended 31 December 2019 (audited)**				
	Net toll revenue	EBITDA	Depreciation and amortisation	Interest and tax	Results	**Net toll revenue**	**EBITDA**	**Depreciation and amortisation**	**Interest and tax**	**Results**
Group's share project contributions:										
Toll expressway projects										
- GS Superhighway Note 1	1,460	1,310	(459)	(324)	527	**1,409**	**1,248**	**(445)**	**(316)**	**487**
- GZ West Superhighway	700	611	(238)	(211)	162	**735**	**627**	**(245)**	**(193)**	**189**
Sub-total	2,160	1,921	(697)	(535)	689	**2,144**	**1,875**	**(690)**	**(509)**	**676**
Land development and utilisation project										
- Xintang Interchange	-	-	-	-	-	**-**	**0**	**-**	**(2)**	**(2)**
Total	2,160	1,921	(697)	(535)	689	**2,144**	**1,875**	**(690)**	**(511)**	**674**
YoY change						**-1%**	**-2%**	**-1%**	**-4%**	**-2%**
Corporate:										
Bank deposits interest income					15					**2**
Interest income of loan to a JV					-					**2**
Other income					1					**3**
General and administrative expenses and depreciation					(32)					**(37)**
Finance costs					(1)					**(1)**
Income tax expense					(0)					**(0)**
Sub-total					(17)					**(31)**
Profit before net exchange loss					672					**643**
YoY change										**-4%**
Net exchange loss					(62)					**(22)**
Profit for the year					610					**621**
Profit attributable to non-controlling interests					(9)					**(9)**
Profit attributable to owners of the Company					601					**612**
YoY change										**+2%**

Note 1: Excluding exchange differences on US Dollar and HK Dollar loans, and related income tax.

Toll Expressway Projects

The Group's share of the net toll revenue of the two expressway projects totalled RMB2,144 million, representing a decrease of 1% from RMB2,160 million of 2018. The Group's share of the net toll revenue of the GS Superhighway amounted to RMB1,409 million, representing a 3% decrease from RMB1,460 million in 2018, mainly attributable to the continuous traffic diversion of adjacent parallel highways, intermittent traffic congestion due to landscape improvement works undertaken in the Shenzhen and Dongguan sections, partial closure of the Dongzhou River Bridge for two months for repair and maintenance and ETC discount increasing from 2% to 5% with effect from 1 July 2019. Although the positive effect on traffic volume vanished upon the withdrawal of truck restriction of the Foshan Ring Road and objective factors such as the ETC discount had an impact at the same time, the toll revenue of the GZ West Superhighway still grew steadily. The Group's share of its net toll revenue reached RMB735 million, increasing 5% from RMB700 million in 2018.

The Group's share of the aggregate EBITDA of its two toll expressways (excluding net exchange loss on the GS JV's US Dollar and HK Dollar loans) decreased by 2% from RMB1,921 million in 2018 to RMB1,875 million. The rise in the GZ West Superhighway's toll revenue led to a 3% growth in the Group's share of its EBITDA from RMB611 million in 2018 to RMB627 million, which partially offset the impact of the decrease in the Group's share of the EBITDA of the GS JV due to the decrease in toll revenue.

The Group's share of depreciation and amortisation charges of the GS JV decreased by 3% from RMB459 million in 2018 to RMB445 million primarily as a result of the decrease in full-length equivalent traffic of the GS Superhighway. With steady growth in full-length equivalent traffic of the GZ West Superhighway, its depreciation and amortisation charges also increased. Driven by these two factors, the Group's share of aggregate depreciation and amortisation charges decreased slightly by 1% to RMB690 million, as compared to RMB697 million in 2018.

During the year under review, the applicable EIT rate for both the GS JV and the GZ West JV was 25%. The Group's share of tax expenses of the GS JV also decreased due to the effect of the decrease in toll revenue and US Federal Funds Rate was cut three times during the second half of 2019, which led to a 2% decrease in the Group's share of the interest and tax expenses of the GS JV from RMB324 million in 2018 to RMB316 million. The interest expenses of the GZ West JV further decreased as a result of further prepayment of bank loan principals totalling RMB848 million (JV level) by surplus cash of the GZ West JV during the year under review. The Group's share of interest and tax expenses of the GZ West JV decreased by 9% from RMB211 million in 2018 to RMB193 million. The Group's share of the aggregate interest and tax of its two expressway projects amounted to RMB509 million, a decrease of 5% as compared to RMB535 million in 2018.

Due to the impact of decrease in toll revenue of the GS Superhighway, the Group's share of net profit of the GS JV decreased to RMB487 million, a decrease of 8% as compared to RMB527 million in 2018. However, driven by the continuous growth in toll revenue and traffic of the GZ West Superhighway, the Group's share of its net profit increased by 17% from RMB162 million to RMB189 million. The total net profit of these two expressway projects (excluding net exchange loss on the GS JV's US Dollar and HK Dollar loans) decreased by 2% to RMB676 million, as compared to RMB689 million in 2018.

Land Development and Utilisation Project

As set out in the announcements of the Company dated 29 November 2019 and 27 December 2019 respectively, Shenwan Infrastructure, an indirect subsidiary of the Company, Guangdong Highway Construction, Lealu Investment and Leaxin Investment entered into the JV Agreement and JV Articles, pursuant to which, the Parties agreed to jointly establish the Xintang JV to participate in the bidding for the land use rights of the Project Land and, after successful Bidding, engage in the subsequent development of residential project on the Project Land. After the successful Bidding, the land use rights of the Project Land is held by the Xintang JV which owns as to 62.5% (in aggregate) by the GPCG (through Guangdong Highway Construction, Lealu Investment and Leaxin Investment) and 37.5% by the Group (through Shenwan Infrastructure).

In December 2019, the Parties provided the Xintang JV with a three-year shareholders' loan of approximately RMB825 million as bidding deposit of the land (approximately RMB309 million is attributable to the Group) based on their respective shareholding percentages. The shareholder's loan bears an interest rate of 8% per annum and incurred interests expenses of approximately RMB5.13 million, of which RMB2 million is attributable to the Group. Xintang JV won the bid for the land use rights of the Project Land for a land premium of RMB4,124 million and had entered into the grant contract for the state-owned construction land use rights of the Project Land with the Guangzhou Municipal Planning and Natural Resources Bureau on 25 December 2019.

The Group

Bank deposits interest income of the Group decreased to RMB2 million from RMB15 million in 2018, mainly attributable to the decrease of bank balances. In December 2019, the Group provided the Xintang JV with a three-year shareholder's loan of approximately RMB309 million based on its shareholding percentage and it generated an interest income of approximately RMB2 million. The Group started to work on improving and reorganising its internal corporate structure following the completion of the disposal of the entire 66.69% equity interest in the Group held by Hopewell Holdings Limited in April 2018. As a result, general and administrative expenses and depreciation increased from RMB32 million in 2018 to RMB37 million. Overall, loss of the Group also increased from RMB17 million in 2018 to RMB31 million.

The Group's profit before net exchange loss (net of related income tax) decreased by 4% from RMB672 million in 2018 to RMB643 million. However, net exchange loss (including exchange loss on the GS JV's US Dollar and HK Dollar loans shared by the Group) decreased to RMB22 million during the year under review, as compared to net exchange loss of RMB62 million recorded in 2018. As a result, profit attributable to owners of the Company increased by 2% from RMB601 million to RMB612 million (or RMB19.86 cents per share).

Outlook

2019 was a challenging year. The global economy obviously showed a downward trend, phase one trade deal of the China-US trade war was not reached until January 2020 and the RMB exchange rate fluctuated continuously, which adversely impacted the GS JV's US Dollar and HK Dollar loans. In January 2020, the novel coronavirus pneumonia outbroke and spread in Mainland China. Tolls of toll roads are waived nationwide during the period of the prevention and control of the epidemic caused by the novel coronavirus pneumonia, commencing from 00:00 a.m. on 17 February 2020 till the end of the prevention and control of the epidemic. The specific end date is subject to further notice. It is expected that performance of the Group will be inevitably impacted negatively as tolls of the GS Superhighway and the GZ West Superhighway operated by the Group are waived during the prevention and control of the epidemic (details are set out in the announcement of the Company dated 17 February 2020). However, the Group believes that our results for the coming year will continue to be supported by the healthy core operations of the GS Superhighway and the GZ West Superhighway. Overall, the Group remains cautiously optimistic about its future performance: (i) the GS Superhighway will benefit from favourable policies including the economic development of the Guangdong-Hong Kong-Macao Greater Bay Area, the Guangzhou-Shenzhen-Hong Kong-Macao Science and Technology Innovation Corridor and the Shenzhen Pilot Demonstration Area; (ii) the core operation of the GZ West Superhighway has been achieving steady growth and will continue to benefit from the prosperous economic and road network developments, including the HZM Bridge which opened in October 2018, the economic development in the Guangdong-Hong Kong-Macao Greater Bay Area and the Guangzhou-Shenzhen-Hong Kong-Macao Science and Technology Innovation Corridor; (iii) the US dollar interest rate cut for four times totalling 1.25% in July, September and October 2019 and in March 2020 respectively will benefit the GS JV in terms of its interest expense in 2020; and (iv) we will consider forming strategic partnerships for Xintang project to improve shareholder structure and facilitate the construction of the residential project, which will promote efficiency of the project.

Given that the steady dividend from the GS JV provides solid bases for the Group's dividend payment, the Board believes that the Group 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.

Financing of the Group

As set out in the paragraphs under the "Land Development and Utilisation Project", after the successful Bidding, the land use rights of the Project Land is held by the Xintang JV which owns as to 62.5% (in aggregate) by the GPCG (through Guangdong Highway Construction, Lealu Investment and Leaxin Investment) and 37.5% by the Group (through Shenwan Infrastructure). The maximum total amount to be contributed (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the Parties for the investment in the project (through the Xintang JV) is RMB6,800 million ("Total Upper Limit"), among which, each of Guangdong Highway Construction, Lealu Investment, Leaxin Investment and Shenwan Infrastructure, will contribute the respective amounts of up to RMB2,550 million, RMB1,360 million, RMB340 million and RMB2,550 million, representing 37.5%, 20%, 5% and 37.5% of the maximum total amount of contribution of the Parties, and accordingly, the registered capital of the Xintang JV owned by the Parties in the same proportion.

The Total Upper Limit was arrived with reference to the estimated cost of acquisition of the land use rights of the Project Land, the estimated costs of the ancillary works and other estimated costs and expenses in relation to the operation of the Xintang JV. The respective Party's limit was determined based on their respective percentage of equity interest in the Xintang JV. It is intended that Shenwan Infrastructure's commitment of up to its respective Party's limit will be satisfied by way of external financing and internal resources of the Group. The total investment amount of Xintang JV is not bound by the Total Upper Limit. Xintang JV may arrange financing from banks or other third parties for the cost of development of the Project Land with the use of its own credit and assets.

	Maximum total amount to be contributed by the Parties to Xintang JV	Maximum contribution amount attributable to the Group (37.5% equity interest)	Time of contribution
	RMB million	**RMB million**	
I. Land premium of the Project Land			
Shareholders' loan	824.80	309.30	December 2019
Shareholders' loan	1,238.00	464.25	January 2020
Shareholders' loan	2,061.20	772.95	December 2020 (Expected)
Total Note 1	**4,124.00**	**1,546.50**	
II. Expected ancillary works			
Registered capital	10.00	3.75	December 2019
Shareholders' loan	2,666.00	999.75	2020-2022 (Expected)
Total	2,676.00	1,003.50	
Total Upper Limit	**6,800.00**	**2,550.00**	

Note 1:Xintang JV won the bid for the land use rights of the Project Land for a land premium of RMB4,124 million and entered into the grant contract for the state-owned construction land use rights of the Project Land with the Guangzhou Municipal Planning and Natural Resources Bureau on 25 December 2019.

The Group has duly made arrangement to meet the capital need of the Xintang JV. On 25 February 2020, the Group contributed RMB777 million to Xintang JV (comprising registered capital of RMB3.75 million and shareholder's loan of RMB773 million). Approximately RMB1,773 million of contribution has yet been invested and the Group still had available banking facilities of approximately RMB3.05 billion in total.

The financial position of the Group comprises assets and liabilities at corporate level and the Group's share of assets and liabilities of the GS JV, the GZ West JV and the Xintang JV.

Corporate Level

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	140	**50**	Bank loans	-	**281**
Shareholder's loan to a JV	-	**309**	Other liabilities	81	**93**
Interest receivable of shareholder's loan to a JV	-	**2**			
Other assets	13	**25**			
	153	**386**		81	**374**
			Net assets value of the Group	72	**12**

The Group's share of JVs
GS JV (The Group's shared portion: 45%)

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	203	**218**	Bank loans		
Concession intangible assets	4,080	**3,758**	- USD	1,128	**1,112**
Property and equipment	190	**256**	- HKD	109	**95**
Other assets	24	**44**	- RMB	675	**563**
			Other loan	9	**10**
			Other liabilities	559	**558**
	4,497	**4,276**		2,480	**2,338**
			Net assets value of GS JV	2,017	**1,938**

GZ West JV (The Group's shared portion: 50%)

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	76	**47**	Bank loans	3,078	**2,641**
Concession intangible assets	5,940	**5,729**	Balances with a JV partner	430	**456**
Property and equipment	183	**183**	Other liabilities	355	**389**
Balances with a JV	430	**456**			
Other assets	14	**21**			
	6,643	**6,436**		3,863	**3,486**
			Net assets value of GZ West JV	2,780	**2,950**

Xintang JV (The Group's shared portion: 37.5%)

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	-	**4**	Shareholder's loan	-	**309**
Net deposit paid	-	**277**	Interest payable of shareholder's loan	-	**2**
Other assets	-	**11**	Other liabilities	-	**11**
	-	**292**		-	**322**
			Net liabilities value of Xintang JV	-	**(30)**

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
			Total liabilities	6,424	**6,520**
			Equity attributable to owners of the Company	4,839	**4,846**
			Non-controlling interests	30	**24**
Total Assets	11,293	**11,390**	**Total Shareholder's Equity and Liabilities**	11,293	**11,390**
			Total net assets	4,869	**4,870**

Liquidity and Financial Resources

The Group's share of bank loans of JV is non-recourse bank loans.

Corporate Level

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	140	**50**	Bank loans	-	**281**
Shareholder's loan to a JV Note 1	-	**309**			
	140	**359**		-	**281**

Net debt Note 2: RMB231 million (2018: Net cash on hand RMB140 million)
Shareholder's loan to a JV Note 1 and net debt Note 2 : RMB78 million

Share of JVs
(including GS JV, GZ West JV and Xintang JV)

	31 December 2018	**31 December 2019**		31 December 2018	**31 December 2019**
	RMB million	**RMB million**		RMB million	**RMB million**
Bank balances and cash	279	**269**	**Bank and other loans**		
			- GS JV	1,921	**1,780**
			- GZ West JV	3,078	**2,641**
			Shareholder's loan		
			- Xintang JV	-	**309**
	279	**269**		4,999	**4,730**

Net debt Note 1: RMB4,461 million (2018: RMB4,720 million)

Note 1: A 3-year shareholder's loan made by the Group to Xintang JV in December 2019 as a bidding deposit of the Project Land
Note 2: Net debt: total bank loans less bank balances and cash

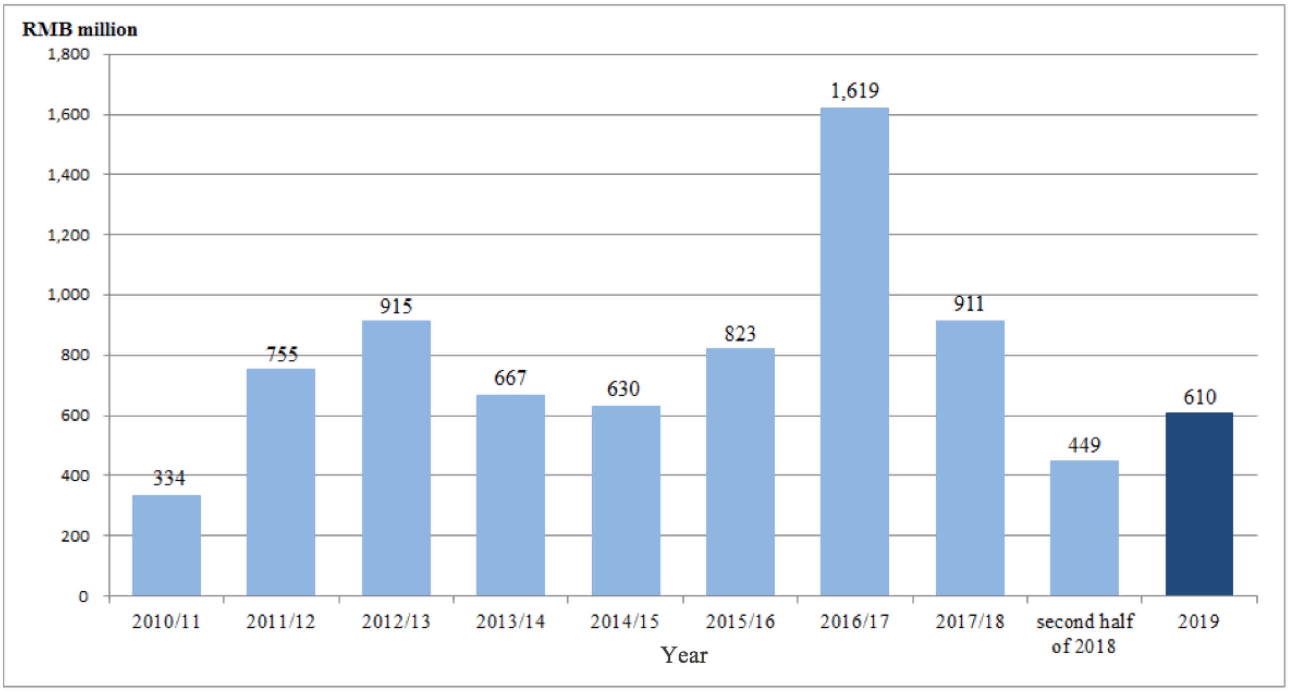
	31 December 2018	**31 December 2019**
	RMB million	**RMB million**
Total debt		
- The Group	-	**281**
- Share of JVs Note 1	5,429	**5,238**
Net debt Note 2	5,010	**5,200**
Total assets (including share of JVs' total assets)	11,293	**11,390**
Equity attributable to owners of the Company	4,839	**4,846**
Total debt / total assets ratio	48%	**48%**
Gearing ratio	104%	**107%**

Note 1: The Group's share of JVs' debt includes bank and other loans together with balance with JV partner and shareholder's loan.

Note 2: Net debt is defined as total debt (including share of JVs) less total bank balances and cash (including share of JVs).

During the year, the major source of the Group's cash inflow was dividend received from the GS Superhighway JV. On the other hand, its major cash outflow was the payment of dividends to the shareholders of the Company. In December 2019, a 3-year shareholder's loan, approximately RMB 309 million, made by the Group to the Xintang JV which was financed by its own funds and bank financing. The Group will continue to optimise its asset and liability structure, improve its cash flow and strengthen its financial position.

Cash Dividend (Net of Tax) from the GS JV to the Group



The reduction in the cash dividend received from the GS JV during 2010/11 was mainly due to the fact that funds were used to provide borrowings to the GZ West JV. Cash dividend received during 2012/13 increased as a result of the full repayment of borrowings by the GZ West JV to the GS JV in December 2012, and the GS JV's distribution of a dividend of RMB351 million to the Group out of such receipts. In August 2016, the GS JV obtained an additional 8-year bank loan facility amounting to RMB2 billion to reimburse past capital expenditure advanced by its shareholders. Subsequently, the GS JV distributed post-tax net dividend of RMB912 million to the Group out of this loan.

Bank and Other Borrowings

On 31 December 2019, the Group had HK Dollar bank loan of equivalent to approximately RMB281 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB4,421 million (including US Dollar bank loans of equivalent to RMB1,112 million, HK Dollar bank loan of equivalent to RMB95 million and RMB bank and other loans of RMB3,214 million, but excluding the shareholders' loan) totalling RMB4,702 million (2018: RMB4,999 million) with the following profile:

(a) 99.8% (2018: 99.8%) consisted of bank loans and 0.2% (2018: 0.2%) of other loan; and
(b) 68% (2018: 75%) was denominated in RMB; 24% (2018: 23%) was denominated in US Dollar and 8% (2018: 2%) was denominated in HK Dollar.

Debt Maturity Profile

As at 31 December 2019, whereas the maturity profile of the bank and other borrowings (excluding shareholder's loan) at corporate level and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2018:

Corporate Level

	31 December 2018		**31 December 2019**	
	RMB million	%	**RMB million**	**%**
Repayable within 1 year	-	-	**281**	**100%**
	-	-	**281**	**100%**

In March 2020, the Group secured a conditional 5-year banking facility from a bank to refinance the revolving banking facilities utilised.

The Group's share of JVs

	31 December 2018		**31 December 2019**	
	RMB million	%	**RMB million**	**%**
Repayable within 1 year	175	3%	**338**	**8%**
Repayable between 1 and 5 years	2,791	56%	**2,890**	**65%**
Repayable beyond 5 years	2,033	41%	**1,193**	**27%**
	4,999	100%	**4,421**	**100%**

Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates and strictly controls its use of financial instruments. At present, neither the Group nor JVs has employed any financial derivative instruments to hedge their exposure to interest rates or foreign currency exchange rates.

Treasury Policies

The Group continues to adopt proactive but prudent treasury policies in its financial and funding management and closely monitors its liquidity, financial resources and the exchange rate movements, with a view to minimise its funding costs and enhance return on its financial assets. As at 31 December 2019, 94% of the Group's bank balances and cash (excluding JVs) were denominated in HK Dollar and the remaining 6% were denominated in RMB. The overall treasury yield on bank deposits at the corporate level of the Group was 2.44% during the year under review whereas 2.66% during the second half of 2018.

Contingent Liabilities

During the year ended 30 June 2008, a subsidiary of the Company recovered the registered capital of HK$702 million (equivalent to RMB471 million) previously injected to the GS JV. According to the Law of the PRC on Chinese-foreign Contractual Joint Venture, in relation to the early repayment of registered capital to the foreign joint venture partner by the GS JV before the expiry of the operation period, the subsidiary of the Company, as the foreign joint venture partner, is required to undertake the financial obligations of the GS JV to the extent of HK$702 million when the GS JV fails to meet its financial obligations during the joint venture operation period.

Except for the above, the Group had no other material contingent liability as at 31 December 2019.

Material Acquisition or Disposal

The Company's subsidiaries and associated companies did not make any material acquisitions or disposals during the year ended 31 December 2019.

OTHER INFORMATION

Review of Annual Results

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 annual results for the year ended 31 December 2019.

Scope of Work of the Company's auditor in respect of the Preliminary Announcement

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu ("Deloitte"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Deloitte in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Deloitte on the preliminary announcement.

Purchase, Sale or Redemption of Securities

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2019.

Corporate Governance Practices

The Company is committed to the principles of corporate governance and corporate responsibility consistent with prudent management. It is the belief of the Board that such commitment will in the long term serve to enhance shareholders' value. The Board has set up procedures on corporate governance that comply with the requirements of the CG Code.

During the year under review, the Company complied with all the code provisions as set out in the CG Code except for the deviation from code provisions A.5.1 of the CG Code which is explained below.

Code Provision A.5.1

The Company does not consider it necessary to have a nomination committee as the Company already has the policies and procedures for selection and nomination of Directors in place. The Board as a whole regularly reviews the plans for orderly succession for appointments to the Board and its structure, size, composition and diversity. If the Board considers that it is necessary to appoint new Director(s), it will set down the relevant appointment criteria which may include, where applicable, the background, experience, professional skills, personal qualities, availability to commit to the affairs of the Company and, in case of Independent Non-executive Director, the independence requirements set out in the Listing Rules from time to time. Nomination of new Director(s) will normally be made by the Chairman and/or the General Manager and subject to the Board's approval. External consultants may be engaged, if necessary, to access a wider range of potential candidate(s).

Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors and an employees' share dealing rules (the "Share Dealing Rules") on terms no less exacting than those set out in the Model Code for the relevant employees who are or may be in possession of inside information. Having made specific enquiry with Directors and the relevant employees, all of them have confirmed that they have fully complied with the Model Code and the Share Dealing Rules respectively throughout the year under review.

By order of the Board
Zhengyu LIU*
Chairman

Hong Kong, 8 March 2020

**For identification purpose only*

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 31 December 2019

	NOTES	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Other income and other expenses	4	5,117	**1,666**
Depreciation		(154)	**(361)**
General and administrative expenses		(16,658)	**(36,930)**
Finance costs		(684)	**(1,306)**
Share of results of joint ventures	5	340,188	**700,552**
Profit before tax		327,809	**663,621**
Income tax expense	6	(19,650)	**(42,646)**
Profit for the period/year	7	308,159	**620,975**
Other comprehensive income			
Item that will not be reclassified to profit or loss:			
Fair value gain on investment in equity instrument at fair value through other comprehensive income, net of tax		417	**10,350**
Item that may be reclassified subsequently to profit or loss:			
Exchange gain (loss) arising on translation of foreign operations		149	**(2,127)**
Total comprehensive income for the period/year		308,725	**629,198**
Profit for the period/year attributable to:			
Owners of the Company		304,046	**612,026**
Non-controlling interests		4,113	**8,949**
		308,159	**620,975**
Total comprehensive income attributable to:			
Owners of the Company		304,612	**620,249**
Non-controlling interests		4,113	**8,949**
		308,725	**629,198**
		RMB cents	**RMB cents**
Earnings per share	8		
Basic		9.87	**19.86**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	NOTE	2018 RMB'000	**2019** **RMB'000**
ASSETS			
Non-current Assets			
Interests in joint ventures		4,797,525	**4,858,483**
Equity instrument at fair value through other comprehensive income	10	11,100	**22,600**
Property and equipment		1,291	**1,546**
Amount due from a joint venture		-	**311,224**
		4,809,916	**5,193,853**
Current Assets			
Deposits and prepayments		678	**820**
Other receivables		14	**68**
Bank balances and cash		140,087	**49,785**
		140,779	**50,673**
Total Assets		4,950,695	**5,244,526**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital		270,603	**270,603**
Share premium and reserves		4,568,631	**4,575,455**
Equity attributable to owners of the Company		4,839,234	**4,846,058**
Non-controlling interests		30,233	**24,020**
Total Equity		4,869,467	**4,870,078**
Non-current Liability			
Deferred tax liabilities		69,888	**80,668**
Current Liabilities			
Payables and accruals		11,340	**12,811**
Bank loans		-	**280,969**
		11,340	**293,780**
Total Liabilities		81,228	**374,448**
Total Equity and Liabilities		4,950,695	**5,244,526**
Cash and cash equivalents		140,087	**49,785**

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to a resolution of the Board of Directors passed on 27 August 2018, the reporting period end date of the Group was changed from 30 June to 31 December because the directors of the Company (the "Directors") determined to bring the annual reporting period end date of the Group in line with that of the Company's joint ventures established in the People's Republic of China (the "PRC") and the ultimate holding company. Accordingly, the consolidated financial statements for the current period cover the twelve months period ended 31 December 2019. The corresponding comparative amounts shown for the consolidated statement of profit or loss and other comprehensive income and related notes cover a six-month period from 1 July 2018 to 31 December 2018 and therefore may not be comparable with amounts shown for the current year.

In preparing the consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by RMB243,107,000 as at 31 December 2019.

The Directors are of the opinion that taking into account of the new uncommitted banking facilities amounting to HK$2,500,000,000 (equivalent to RMB2,244,165,000) and HK$850,000,000 (equivalent to RMB763,016,000) obtained by the Group in January 2020 and March 2020 respectively of which there are proven records of cash inflows generated from the joint ventures of the Group together with the good relationship between the relevant banks and the Company's ultimate holding company, Shenzhen Investment Holdings Co., Ltd (深圳市投資控股有限公司), enhancing the Group's ability on obtaining those bank borrowings when needed as well as internally generated funds of the Group, the Group has sufficient working capital for its present requirements for the next twelve months from 31 December 2019. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

New and amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by International Accounting Standards Board for the first time in the current year:

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRSs	Annual Improvements to IFRSs 2015 - 2017 Cycle

Amendments to IAS 28 "Long-term Interests in Associates and Joint Ventures"

The amendments clarify that the Group applies IFRS 9 "Financial Instruments" ("IFRS 9"), including the impairment requirements, to long-term interests in an associate or joint venture to which the equity method is not applied that form part of the net investment in the investee. Furthermore, in applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 "Investments in Associates and Joint Ventures" ("IAS 28") (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

The Directors do not anticipate that the application of the amendments to IAS 28 will have a material effect on the consolidated financial statements.

In addition to the above, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current year and prior period and/or on the disclosures set out in these consolidated financial statements.

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1	Classification of Liabilities as Current or Non-current[5]
Amendments to IAS 1 and IAS 8	Definition of Material[4]
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform[4]

[1] Effective for annual periods beginning on or after 1 January 2021
[2] Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
[3] Effective for annual periods beginning on or after a date to be determined
[4] Effective for annual periods beginning on or after 1 January 2020
[5] Effective for annual periods beginning on or after 1 January 2022

In addition to the above new and amendments to IFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the Amendments to References to the Conceptual Framework in IFRS Standards, will be effective for annual periods beginning on or after 1 January 2020.

The Directors anticipate that the application of all new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

3. SEGMENT INFORMATION

The Group's reportable and operating segments are determined based on information reported to the chief operating decision maker ("CODM") for the purpose of resource allocation and performance assessment.

Information reported to the CODM, including segment revenue, the Group's share of joint ventures' earnings before interest, tax, depreciation and amortisation before net exchange gain/loss ("EBITDA"), the Group's share of joint ventures' depreciation and amortisation including amortisation of additional cost of investments in joint ventures ("depreciation and amortisation"), the Group's share of joint ventures' interest and tax before tax on exchange gain/loss and including withholding tax on earnings distributed by a joint venture ("interest and tax"), and segment results. During the second half of the year, the Group commenced the business engaging in new land development and utilisation project along with the establishment of Guangzhou Zhentong Development Company Limited (廣州臻通實業發展有限公司) ("Xintang JV"), a company established in the PRC to engage in the development of residential project on the Xintang interchange ("Xintang Interchange"), and it is considered as a new reportable and operating segment by the CODM. The CODM is more specifically focused on individual toll expressways projects and new land development and utilisation project jointly operated and managed by the Group and the relevant joint venture partners during the period/year. Accordingly, the Group's reportable and operating segments under IFRS 8 "Operating Segments" are therefore as follows:

- Guangzhou-Shenzhen Superhighway ("GS Superhighway")
- Guangzhou-Zhuhai West Superhighway ("GZ West Superhighway")
- Xintang Interchange

Information regarding the above segments is reported below.

Segment revenue and results

	Six months ended 31 December 2018					**Year ended 31 December 2019**				
	Segment revenue RMB'000	EBITDA RMB'000	Depreciation and amortisation RMB'000	Interest and tax RMB'000	Segment results RMB'000	**Segment revenue RMB'000**	**EBITDA RMB'000**	**Depreciation and amortisation RMB'000**	**Interest and tax RMB'000**	**Segment results RMB'000**
Toll expressway project										
GS Superhighway	742,973	663,212	(232,267)	(164,147)	266,798	**1,408,888**	**1,248,307**	**(445,024)**	**(315,899)**	**487,384**
GZ West Superhighway	377,122	320,004	(126,133)	(105,704)	88,167	**735,380**	**626,703**	**(245,029)**	**(192,748)**	**188,926**
	1,120,095	983,216	(358,400)	(269,851)	354,965	**2,144,268**	**1,875,010**	**(690,053)**	**(508,647)**	**676,310**
Land development and utilisation project										
Xintang Interchange	-	-	-	-	-	**-**	**38**	**-**	**(1,924)**	**(1,886)**
Total	1,120,095	983,216	(358,400)	(269,851)	354,965	**2,144,268**	**1,875,048**	**(690,053)**	**(510,571)**	**674,424**
Corporate interest income from bank deposits					7,128					**2,156**
Corporate interest income from loans made by the Group to a joint venture					-					**1,924**
Other income					815					**3,478**
Corporate general and administrative expenses and depreciation					(16,812)					**(37,291)**
Corporate finance costs					(684)					**(1,306)**
Corporate income tax expense					(60)					**(776)**
Net exchange loss (net of related income tax) (Note)					(37,193)					**(21,634)**
Profit for the period/year					308,159					**620,975**
Profit for the period/year attributable to non-controlling interests					(4,113)					**(8,949)**
Profit for the period/year attributable to owners of the Company					304,046					**612,026**

Note: Net exchange loss (net of related income tax) is composed of the Group's share of the exchange loss (net of related income tax) of a joint venture of RMB15,742,000 (six months ended 31 December 2018: RMB34,367,000) and the net exchange loss of the Group of RMB5,892,000 (six months ended 31 December 2018: RMB2,826,000).

The segment revenue represents the Group's share of joint ventures' toll revenue received and receivable (net of value-added tax) from the operations of toll expressways in the PRC based on the profit-sharing ratios specified in the relevant joint venture agreements. All of the segment revenue reported above is earned from external customers.

The segment results represent the (i) Group's share of joint ventures' results from the operations of toll expressways and land development and utilisation in the PRC before net exchange gain/loss (net of related income tax) based on the profit-sharing ratios and shareholding percentage specified in the relevant joint venture agreements, (ii) net of the withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures; and (iii) amortisation of additional cost of investments in joint ventures. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The total segment results can be reconciled to the share of results of joint ventures as presented in consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Total segment results	354,965	**674,424**
Add:		
Net exchange loss (net of related income tax)	(34,367)	**(15,742)**
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	19,590	**41,870**
Share of results of joint ventures as presented in consolidated statement of profit or loss and other comprehensive income	340,188	**700,552**

Other segment information

The below other segment information, included in the measure of segment profit or loss, represents the Group's share of interest income of the joint ventures. Such amount relating to the joint ventures are eliminated under equity method of accounting to reconcile from "Segment total" to "Consolidated total".

	GS Superhighway RMB'000	GZ West Superhighway RMB'000	Xintang Interchange RMB'000	Segment total RMB'000	Elimination RMB'000	Unallocated RMB'000	Consolidated total RMB'000
Six months ended 31 December 2018	3,247	502	-	3,749	(3,749)	7,128	7,128
Year ended 31 December 2019	**4,067**	**1,137**	**55**	**5,259**	**(5,259)**	**4,080**	**4,080**

Geographical information

The operations of the Group's joint ventures are located in the PRC. All of the joint ventures' revenue from external customers was generated from the services provided in the PRC and the location of the non-current assets excluding interests in joint ventures, amount due from a joint venture and equity instrument at fair value through other comprehensive income (“FVTOCI”) amounting to RMB1,546,000 (31 December 2018: RMB1,291,000) are in Hong Kong.

Segment assets and liabilities

Segment assets and liabilities are not disclosed in the consolidated financial statements as they are not regularly provided to CODM for the purpose of resource allocation and performance assessment.

4. OTHER INCOME AND OTHER EXPENSES

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Interest income from:		
Bank deposits	7,128	**2,156**
Amount due from a joint venture	-	**1,924**
Net exchange loss	(2,826)	**(5,892)**
Dividend income from equity instrument at FVTOCI	600	**3,120**
Gain on disposal of property and equipment	-	**144**
Others	215	**214**
	5,117	**1,666**

5. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Share of results of joint ventures before share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group and amortisation of additional cost of investments in joint ventures	386,942	**792,358**
Amortisation of additional cost of investments in joint ventures	(46,754)	**(91,806)**
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(25,452)	**(52,499)**
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	25,452	**52,499**
	340,188	**700,552**

6. INCOME TAX EXPENSE

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
The tax charge comprises:		
PRC Enterprise Income Tax ("EIT")	20,114	**33,016**
Deferred tax	(464)	**9,630**
	19,650	**42,646**

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for the period/year.

The EIT charge of the Group for the year ended 31 December 2019 included an amount of RMB32,704,000 (six months ended 31 December 2018: RMB20,054,000) representing the 5% withholding tax imposed on dividends declared during the period/year by a joint venture of the Group of which the corresponding amount had already been provided for deferred tax in prior years in respect of undistributed earnings of a joint venture.

The income tax expense for the period/year can be reconciled to the profit before tax per consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Profit before tax	327,809	**663,621**
Tax at normal PRC income tax rate of 25% (six months ended 31 December 2018: 25%)	81,952	**165,905**
Effect of different tax rates on income tax expense	(90)	**(503)**
Tax effect of income not taxable for tax purposes	(1,835)	**(611)**
Tax effect of expenses not deductible for tax purposes	5,080	**11,123**
Tax effect of share of results of joint ventures	(85,047)	**(175,138)**
Withholding tax on earnings distributed by a joint venture	19,590	**41,870**
Income tax expense	19,650	**42,646**

7. PROFIT FOR THE PERIOD/YEAR

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Profit for the period/year has been arrived at after charging:		
Auditor's remuneration	1,141	**1,542**
Directors' emoluments	2,863	**8,279**
Other staff costs	7,073	**15,315**
Total staff costs	9,936	**23,594**
Depreciation of property and equipment	154	**361**
Finance costs (Note)	684	**1,306**
Short-term lease expense	-	**283**

Note: The amount represents the bank charges and bank loan interest for the period/year.

8. EARNINGS PER SHARE

The calculation of the basic earnings per share attributable to the owners of the Company is based on the following data:

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Earnings for the purpose of basic earnings per share	304,046	**612,026**

	Number of shares	
	Six months ended 31 December 2018	**Year ended 31 December 2019**
Number of ordinary shares for the purpose of basic earnings per share	3,081,690,283	**3,081,690,283**

No diluted earnings per share have been presented as there was no potential ordinary shares in issue during the period/year.

9. DIVIDENDS

	Six months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Dividends recognised as a distribution during the period/year:		
Interim dividend for the year ended 31 December 2019 of RMB9.8 cents (equivalent to HK10.971394 cents) per share	-	**305,852**
Final dividend for the six months ended 31 December 2018 paid of RMB9.9 cents (equivalent to HK11.615472 cents) (six months ended 31 December 2018: for the year ended 30 June 2018 paid of RMB9.7 cents (equivalent to HK11.114551 cents)) per share	304,445	**307,573**
Special final dividend for the year ended 30 June 2018 paid of RMB10 cents (equivalent to HK11.4583 cents) per share	313,861	**-**
	618,306	**613,425**
Proposed dividend:		
Final dividend for the year ended 31 December 2019 proposed of RMB10.1 cents (equivalent to HK11.320989 cents) (six months ended 31 December 2018: for the six months ended 31 December 2018 of RMB9.9 cents (equivalent to HK11.615472 cents)) per share	305,087	**311,251**

A final dividend in respect of the year ended 31 December 2019 of RMB10.1 cents (equivalent to HK11.320989 cents) per share is proposed by the Board of Directors. The dividend is subject to approval by shareholders at the forthcoming annual general meeting and have not been included as liabilities in these consolidated financial statements. The proposed final dividend is calculated based on the total number of issued shares at the date of approval of these consolidated financial statements.

10. EQUITY INSTRUMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The investment represents interest in unlisted limited company established in the PRC. The Directors have elected to designate the investment in equity instrument as at FVTOCI as they believe that the investment is not held for trading and not expected to be sold in the foreseeable future.

Appendix – Consolidated Financial Information

Subsequent to the Change of Financial Year End Date, the Group's new financial year cover the period of twelve months from 1 January to 31 December. For the benefit of better understanding on the Group's operating performance for the twelve months ended 31 December after adoption of the new financial year end date, the Group has presented the audited financial results for the year ended 31 December 2019, while relevant comparative unaudited figures cover the period of twelve months ended 31 December 2018.

Consolidated Statement of Profit or Loss
(Prepared under equity method)
For the year ended 31 December 2019
(FOR INFORMATION PURPOSE ONLY)

	Twelve months ended 31 December 2018 RMB'000	**Year ended 31 December 2019 RMB'000**
Other income and other expenses (Note i)	(1,063)	**1,666**
Depreciation	(190)	**(361)**
General and administrative expenses	(32,261)	**(36,930)**
Finance costs	(714)	**(1,306)**
Share of results of joint ventures	683,533	**700,552**
Profit before tax	649,305	**663,621**
Income tax expense (Note ii)	(39,332)	**(42,646)**
Profit for the year	609,973	**620,975**
Profit for the year attributable to:		
Owners of the Company	601,391	**612,026**
Non-controlling interests	8,582	**8,949**
	609,973	**620,975**

Notes:

(i) OTHER INCOME AND OTHER EXPENSES

	2018 RMB'000	**2019 RMB'000**
Interest income from:		
Bank deposits	15,009	**2,156**
Amount due from a joint venture	-	**1,924**
Net exchange loss	(16,887)	**(5,892)**
Dividend income from equity instrument at FVTOCI	600	**3,120**
Gain on disposal of property and equipment	-	**144**
Others	215	**214**
	(1,063)	**1,666**

(ii) INCOME TAX EXPENSE

	2018 RMB'000	**2019 RMB'000**
The tax charge comprises:		
PRC Enterprise Income Tax	40,167	**33,016**
Deferred tax	(835)	**9,630**
	39,332	**42,646**

Appendix – Consolidated Financial Information

Consolidated Statement of Profit or Loss
(Prepared under proportionate consolidation method)
For the year ended 31 December 2019
(FOR INFORMATION PURPOSE ONLY)

	2018 RMB'000	**2019** **RMB'000**	2018 HK$'000	**2019** **HK$'000**
Toll revenue	2,160,208	**2,144,268**	2,551,518	**2,429,924**
Revenue on construction	24,388	**93,022**	27,174	**103,627**
Turnover	2,184,596	**2,237,290**	2,578,692	**2,533,551**
Other income and other expense (Note i)	68,585	**98,656**	81,495	**112,883**
Construction costs	(24,388)	**(93,022)**	(27,174)	**(103,627)**
Provision for resurfacing charges	(19,463)	**(15,964)**	(39,391)	**(18,291)**
Toll expressway operation expenses	(259,735)	**(269,724)**	(289,187)	**(304,756)**
General and administrative expenses	(97,228)	**(112,192)**	(113,150)	**(126,864)**
Depreciation and amortisation charges	(696,969)	**(690,415)**	(822,996)	**(782,495)**
Finance costs (Note ii)	(248,966)	**(237,157)**	(294,385)	**(269,050)**
Profit before tax	906,432	**917,472**	1,073,904	**1,041,351**
Income tax expense	(296,459)	**(296,497)**	(351,502)	**(336,499)**
Profit for the year	609,973	**620,975**	722,402	**704,852**
Profit for the year attributable to:				
Owners of the Company	601,391	**612,026**	712,241	**694,703**
Non-controlling interests	8,582	**8,949**	10,161	**10,149**
	609,973	**620,975**	722,402	**704,852**

Notes:

(i) OTHER INCOME AND OTHER EXPENSE

	2018 RMB'000	**2019** **RMB'000**	2018 HK$'000	**2019** **HK$'000**
Interest income from:				
Bank deposits	20,956	**7,414**	24,836	**8,365**
Loan made by the Group to a joint venture	-	**1,924**	-	**2,142**
Imputed interest income on interest-free registered capital contributions made by the Group to a joint venture	24,704	**26,249**	29,185	**29,754**
Net exchange loss	(77,133)	**(26,881)**	(88,599)	**(28,750)**
Rental income	18,396	**23,174**	21,906	**26,473**
Others	81,662	**66,776**	94,167	**74,899**
	68,585	**98,656**	81,495	**112,883**

(ii) FINANCE COSTS

	2018 RMB'000	**2019** **RMB'000**	2018 HK$'000	**2019** **HK$'000**
Interest on:				
Bank loans	223,476	**208,164**	264,273	**236,227**
Loans made by joint venture partners	-	**1,924**	-	**2,142**
Imputed interest on interest-free registered capital contributions made by a joint venture partner	24,704	**26,249**	29,185	**29,754**
Others	570	**608**	672	**689**
	248,750	**236,945**	294,130	**268,812**
Other financial expenses	216	**212**	255	**238**
	248,966	**237,157**	294,385	**269,050**

Appendix – Consolidated Financial Information

Consolidated Statement of Financial Position
(Prepared under proportionate consolidation method)
As at 31 December 2019
(FOR INFORMATION PURPOSE ONLY)

	2018 RMB'000	**2019** **RMB'000**	2018 HK$'000	**2019** **HK$'000**
ASSETS				
Non-current Assets				
Property and equipment	374,077	**440,724**	426,073	**490,966**
Concession intangible assets	10,020,474	**9,487,517**	11,413,320	**10,569,094**
Balance with a joint venture	430,054	**456,303**	489,831	**508,322**
Loans made by the Group to a joint venture	-	**311,224**	-	**346,704**
Equity instrument at fair value through other comprehensive income	11,100	**22,600**	12,642	**25,176**
	10,835,705	**10,718,368**	12,341,866	**11,940,262**
Current Assets				
Inventories	863	**11,858**	983	**13,210**
Deposits and prepayments	1,697	**310,525**	1,933	**345,924**
Interest and other receivables	36,239	**31,411**	41,276	**34,992**
Pledged bank balances and deposits of joint ventures	273,235	**258,395**	311,215	**287,852**
Bank balances and cash				
- The Group	140,087	**49,785**	159,559	**55,461**
- Joint ventures	5,392	**10,098**	6,141	**11,249**
	457,513	**672,072**	521,107	**748,688**
Total Assets	11,293,218	**11,390,440**	12,862,973	**12,688,950**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	270,603	**270,603**	308,169	**308,169**
Share premium and reserves	4,568,631	**4,575,455**	5,203,717	**5,090,339**
Equity attributable to owners of the Company	4,839,234	**4,846,058**	5,511,886	**5,398,508**
Non-controlling interests	30,234	**24,020**	34,436	**26,758**
Total Equity	4,869,468	**4,870,078**	5,546,322	**5,425,266**
Non-current Liabilities				
Bank and other loans of joint ventures	4,824,040	**4,083,492**	5,494,582	**4,549,010**
Balance with a joint venture partner	430,003	**456,252**	489,774	**508,265**
Loans made by joint venture partners	-	**311,224**	-	**346,704**
Resurfacing obligations	220,243	**236,207**	250,857	**263,134**
Deferred tax liabilities	276,413	**280,952**	314,833	**312,981**
Other non-current liabilities	37,078	**37,160**	42,232	**41,396**
	5,787,777	**5,405,287**	6,592,278	**6,021,490**
Current Liabilities				
Provision, other payables, accruals and deposits received	406,399	**411,942**	462,888	**458,904**
Bank loans of joint ventures	174,877	**618,479**	199,185	**688,986**
Other interest payable	6,733	**5,926**	7,669	**6,601**
Tax liabilities	47,964	**78,728**	54,631	**87,703**
	635,973	**1,115,075**	724,373	**1,242,194**
Total Liabilities	6,423,750	**6,520,362**	7,316,651	**7,263,684**
Total Equity and Liabilities	11,293,218	**11,390,440**	12,862,973	**12,688,950**

GLOSSARY

"2010/11"	the year ended 30 June 2011
"2011/12"	the year ended 30 June 2012
"2012/13"	the year ended 30 June 2013
"2013/14"	the year ended 30 June 2014
"2014/15"	the year ended 30 June 2015
"2015/16"	the year ended 30 June 2016
"2016/17"	the year ended 30 June 2017
"2017/18"	the year ended 30 June 2018
"2018"	the twelve months ended 31 December 2018
"second half of 2018"	the six months ended 31 December 2018
"2019"	the twelve months ended 31 December 2019
"first half of 2019"	the six months ended 30 June 2019
"second half of 2019"	the six months ended 31 December 2019
"2020 Annual General Meeting"	the annual general meeting of the Company to be held on Friday, 22 May 2020
"Bay Area"	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
"Bidding"	the bidding for the land use rights of the Project Land by the Xintang JV, as disclosed in the Company's announcement dated 29 November 2019
"Board"	the board of Directors of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Coastal Expressway"	Guangzhou-Shenzhen Coastal Expressway
"Company" or "Bay Area Development"	Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited)
"Director(s)"	director(s) of the Company
"Documents of Intent"	a memorandum of cooperation and two framework agreements entered into among the Company, Guangdong Highway Construction and Guangdong Leatop Real Estate Investment Co., Ltd.* (廣東利通置業投資有限公司) (in respect of one of the framework agreements only), which set out, among other things, the principles of cooperation in relation to the potential development and utilisation of the land along the GS Superhighway (including the Xintang interchange), as disclosed in the Company's announcement dated 28 October 2019
"EBITDA"	earnings before interest, tax, depreciation and amortisation (before net exchange gain/loss)
"EIT"	enterprise income tax
"full-length equivalent traffic"	the total distance travelled by all vehicles on the expressway divided by the full length of the expressway
"GDP"	gross domestic product
"GPCG"	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司) and its subsidiaries collectively (including Guangdong Highway Construction, Lealu Investment and Leaxin Investment)

"Guangdong Highway Construction" or "GD Highway Construction"	Guangdong Provincial Highway Construction Company Limited* (廣東省公路建設有限公司), the PRC joint venture partner of GS Superhighway JV and a company established in the PRC with limited liability and a non wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
"Group"	the Company and its subsidiaries
"GS JV	Guangzhou-Shenzhen-Zhuhai Superhighway Company Limited, the joint venture established for the GS Superhighway
"GS Superhighway"	Guangzhou-Shenzhen Superhighway
"GZ West JV	Guangdong Guangzhou-Zhuhai West Superhighway Company Limited, the joint venture company established for the GZ West Superhighway
"GZ West Superhighway"	Guangzhou-Zhuhai West Superhighway, also known as the Western Delta Route
"Hengqin New Zone"	Hengqin State-level Strategic New Zone
"HK$", "HKD" or "HK Dollar(s)"	Hong Kong Dollars, the lawful currency of Hong Kong
"Hong Kong" or "HKSAR"	the Hong Kong Special Administrative Region of the PRC
"HZM Bridge"	the Hong Kong-Zhuhai-Macao Bridge
"JV(s)"	joint venture(s)
"JV Agreement"	the joint venture agreement dated 29 November 2019 entered into among the Parties in respect of the establishment, management and operation of the Xintang JV, as disclosed in the Company's announcement dated 29 November 2019
"JV Articles"	the articles of the Xintang JV dated 29 November 2019 entered into and adopted by the Parties, in conjunction with the JV Agreement, as disclosed in the Company's announcement dated 29 November 2019
"km"	kilometre(s)
"Lealu Investment"	Guangzhou Lealu Investment Company Limited* (廣州利路實業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Guangdong Highway Construction
"Leatop Real Estate"	Guangdong Leatop Real Estate Investment Co., Ltd.* (廣東利通置業投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), being a state-owned enterprise established in the PRC
"Leaxin Investment"	Guangzhou Leaxin Investment Company Limited* (廣州利新實業投資有限公司), a company established in the PRC with limitedliability and a wholly-owned subsidiary of Leatop Real Estate
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Macao" or "Macao SAR"	the Macao Special Administrative Region of the PRC
"Mainland China"	the PRC, excluding Hong Kong and Macao
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
"mu"	unit of area equal to approximately 667 square metres
"net toll revenue"	toll revenue after related tax
"Outline Plan"	the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area
"Parties"	collectively, Shenwan Infrastructure, Guangdong Highway Construction, Lealu Investment and Leaxin Investment, and each a "Party"
"PRC" or "China"	the People's Republic of China
"PRD"	Pearl River Delta
"Project Land"	the land (plot number: 83101203A19206) located at the Xintang interchange on both sides of the GS Superhighway, as disclosed in the Company's announcement dated 29 November 2019
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Share Award Scheme"	the share award scheme adopted by the Board on 25 January 2007
"Shenwan Infrastructure"	Shenwan Bay Area Infrastructure (Shenzhen) Company Limited* (深灣基建（深圳）有限公司), a company established in the PRC with limited liability established by the Company for the purpose of investing into the Xintang JV
"Shenzhen Pilot Demonstration Area"	"Guidelines on Supporting Shenzhen in Building a Pilot Demonstration Area of Socialism with Chinese Characteristics" *《關於支持深圳建設中國特色社會主義先行示範區的意見》released by the State Council in August 2019, a national development strategy of the PRC
"SIHC"	Shenzhen Investment Holdings Co., Ltd* (深圳市投資控股有限公司), incorporated in the PRC with limited liability, the ultimate holding company of the Company
"SIICHIC"	Shenzhen Investment International Capital Holdings Infrastucture Co., Ltd (深圳投控國際資本控股基建有限公司), incorporated in the British Virgin Islands with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"toll revenue"	toll revenue including tax
"Total Upper Limit"	The maximum total amount of contribution (whether by way of registered capital, shareholders' loans, shareholders' guarantee and any amount of other nature) by the Parties to Xintang JV shall not exceed RMB6.8 billion, as disclosed in the Company's announcement dated 29 November 2019

"United States" or "US" or "USA"	the United States of America
"USD" or "US Dollar(s)"	United States Dollars, the lawful currency of the United States
"Xintang JV"	a project company established in the PRC to participate in the Bidding and, after successful Bidding, engage in the subsequent development of residential project on the Project Land, and its equity interest will be held as to 37.5%, 37.5%, 20% and 5% by Shenwan Infrastructure, Guangdong Highway Construction, Lealu Investment and Leaxin Investment respectively, as disclosed in the Company's announcement dated 29 November 2019
"YoY"	year-on-year

As at the date of this announcement, the Board comprises three Executive Directors namely, Mr. Tianliang ZHANG (General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); three Non-executive Directors namely, Mr. Zhengyu LIU* (Chairman), and Mr. Junye CAI* and Mr. Jiyang TANG*; and three Independent Non-executive Directors namely, Mr. Brian David Man Bun LI, Mr. Yu Lung CHING and Mr. Tony Chung Nin KAN.*

** For identification purpose only*