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**Shenzhen Investment Holdings Bay Area
Development Company Limited**
深圳投控灣區發展有限公司
(incorporated in the Cayman Islands with limited liability)
Stock Codes: 737 (HKD counter) and 80737 (RMB counter)

**UNAUDITED FINANCIAL INFORMATION FOR THE NINE
MONTHS ENDED 30 SEPTEMBER 2022**

The board of directors (the “Board”) of the Company is pleased to announce the operation conditions and the unaudited condensed consolidated financial information and for the nine months ended 30 September 2022.

OPERATION INFORMATION

	<i>July – September 2021</i>	<i>July – September 2022</i>	<i>% Change</i>
<i>At Joint Venture level</i>			
GS Superhighway			
Average daily toll revenue ^{N1} (RMB '000)	8,766	7,322	-16%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	101	87	-14%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	693	612	-12%
GZ West Superhighway			
Average daily toll revenue ^{N1} (RMB '000)	3,980	3,466	-13%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	56	50	-11%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	300	262	-13%

	<i>January – September</i>	<i>January – September</i>	<i>% Change</i>
	<i>2021</i>	<i>2022</i>	
<i>At Joint Venture level</i>			
<i>GS Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	8,083	6,587	-19%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	93	76	-18%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	638	543	-15%
<i>GZ West Superhighway</i>			
Average daily toll revenue ^{N1} (RMB '000)	3,752	3,103	-17%
Average daily full-length equivalent traffic ^{N2} (No. of vehicles '000)	53	44	-17%
Average daily mixed traffic ^{N3} (No. of vehicles '000)	281	231	-18%

N1: Including tax

N2: 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 period under review

N3: Average daily mixed traffic excludes toll free traffic travelled during the period when Holiday Toll-Free Policy was implemented

Toll revenue and traffic volume of Guangzhou-Shenzhen Superhighway (“GS Superhighway”) and Guangdong Guangzhou-Zhuhai West Superhighway (“GZ West Superhighway”) decreased year-on-year during the first three quarters of 2022 were mainly affected by the fluctuating situation of the COVID-19 pandemic. Cities along the two expressways, such as Shenzhen, Dongguan, Guangzhou, Zhongshan and Zhuhai, experienced multiple waves of pandemic, and certain regions implemented strict lockdown control measures for a short period of time, resulting in a significant decrease in passenger and freight traffic. In addition, the newly opened expressways and reconstructed local roads in the surrounding areas of the GS Superhighway and the GZ West Superhighway have also caused diversion impact.

According to the “Notice of the Ministry of Transport and the Ministry of Finance on Phased Toll Reduction and Exemption for Trucks” (《交通運輸部 財政部關於做好階段性減免收費公路貨車通行費有關工作的通知》), and on the basis of maintaining the existing various policies of toll reduction and exemption, the tolls for trucks are further reduced by 10% for the period from 0:00 on 1 October 2022 to 24:00 on 31 December 2022. The new policy is applicable to all toll roads nationwide. It is expected that the change will have a negative but limited impact on the toll revenue of the GS Superhighway and the GZ West Superhighway in the fourth quarter of 2022.

FINANCIAL INFORMATION

The unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively the “Group”) for the nine months ended 30 September 2022 (the “Period”) were as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Nine months ended 30 September	
	<u>NOTES</u>	<u>2021</u>	<u>2022</u>
		RMB '000	RMB '000
		(Unaudited)	(Unaudited)
Other income	3	61,975	47,735
Other gain and loss	4	19,710	(15,058)
Depreciation		(517)	(3,827)
General and administrative expenses		(28,652)	(36,960)
Finance costs		(14,550)	(27,676)
Share of results of joint ventures	5	519,102	286,851
Profit before tax		557,068	251,065
Income tax expense	6	(67,181)	(25,837)
Profit for the period		<u>489,887</u>	<u>225,228</u>
Profit for the period attributable to:			
Owners of the Company		483,046	221,560
Non-controlling interests		<u>6,841</u>	<u>3,668</u>
		<u>489,887</u>	<u>225,228</u>
		RMB cents	RMB cents
Earnings per share	7		
Basic		<u>15.7</u>	<u>7.2</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	31 December <u>2021</u> RMB'000 (Audited)	30 September <u>2022</u> RMB'000 (Unaudited)
ASSETS		
Non-current Assets		
Interests in joint ventures	4,971,183	5,033,034
Equity instrument at fair value through other comprehensive income	20,100	19,500
Property and equipment	1,768	2,275
Right-of-use assets	4,999	24,913
	<u>4,998,050</u>	<u>5,079,722</u>
Current Assets		
Deposits and prepayments	735	2,702
Interest and other receivables	5,621	12,410
Amount due from a joint venture	263,636	224,448
Structured deposit	351,381	250,000
Bank balances and cash	1,552,319	1,534,017
	<u>2,173,692</u>	<u>2,023,577</u>
Total Assets	<u><u>7,171,742</u></u>	<u><u>7,103,299</u></u>
EQUITY AND LIABILITIES		
Capital and Reserves		
Share capital	270,603	270,603
Share premium and reserves	4,785,775	4,292,616
	<u>5,056,378</u>	<u>4,563,219</u>
Equity attributable to owners of the Company	5,056,378	4,563,219
Non-controlling interests	22,107	25,775
	<u>5,078,485</u>	<u>4,588,994</u>
Total Equity	<u><u>5,078,485</u></u>	<u><u>4,588,994</u></u>

	31 December 2021 RMB'000 (Audited)	30 September 2022 RMB'000 (Unaudited)
Non-current Liabilities		
Lease liabilities	3,335	16,752
Bank loans	1,053,922	1,093,044
Deferred tax liabilities	130,746	138,347
	<u>1,188,003</u>	<u>1,248,143</u>
Current Liabilities		
Payables and accruals	10,857	13,382
Lease liabilities	1,674	8,532
Bank loans	882,353	1,056,911
Dividend payable	-	185,764
Tax payables	10,370	1,573
	<u>905,254</u>	<u>1,266,162</u>
Total Liabilities	<u>2,093,257</u>	<u>2,514,305</u>
Total Equity and Liabilities	<u>7,171,742</u>	<u>7,103,299</u>
Cash and cash equivalents	<u>1,552,319</u>	<u>1,534,017</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
NET CASH USED IN OPERATING ACTIVITIES	<u>(182,964)</u>	<u>(49,118)</u>
INVESTING ACTIVITIES		
Withdrawals of structured deposits	1,735,000	868,000
Dividends received (net of PRC withholding tax)	538,729	214,013
Repayment from a joint venture	142,000	52,920
Interest received	30,015	22,232
Placements of structured deposits	(965,000)	(768,000)
Advance to a joint venture	(526,000)	-
Purchases of property and equipment	<u>(74)</u>	<u>(1,387)</u>
NET CASH FROM INVESTING ACTIVITIES	<u>954,670</u>	<u>387,778</u>
FINANCING ACTIVITIES		
New bank loans raised	1,896,393	487,805
Bank loans repaid	(1,280,506)	(478,771)
Interest paid on bank loans	(14,115)	(27,143)
Repayment of lease liabilities	-	(690)
Interest paid on lease liabilities	-	(76)
Dividends paid to:		
- owners of the Company	(583,418)	(338,983)
- non-controlling interests of a subsidiary	<u>(6,776)</u>	<u>-</u>
NET CASH FROM (USED IN) FINANCING ACTIVITIES	<u>11,578</u>	<u>(357,858)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>783,284</u>	<u>(19,198)</u>
CASH AND CASH EQUIVALENTS AT 1 JANUARY	519,042	1,552,319
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	<u>1,879</u>	<u>896</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u><u>1,304,205</u></u>	<u><u>1,534,017</u></u>

Note: Cash and cash equivalents comprise cash at banks and cash on hand, and deposits with banks subjected to insignificant risk of change in value, and with a maturity of three months or less from date of placing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated financial information has been prepared on the historical cost basis except for certain financial instruments that are measured at fair values.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial information for the nine months ended 30 September 2022 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2021. The application of the new and amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior period and/or on the disclosures set out in these condensed consolidated financial statements.

The Company’s functional currency and presentation currency are Renminbi (“RMB”).

2. 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, includes segment revenue, the Group’s share of joint ventures’ earnings before interest, tax, depreciation and amortisation and 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 excluding tax on exchange gain/loss and including withholding tax on earnings distributed by joint ventures (“interest and tax”), and segment results. The CODM is more specifically focused on individual toll expressways projects and land development and utilisation project jointly operated and managed by the Group and the relevant joint venture partners during the period. Accordingly, the Group’s reportable and operating segments under IFRS 8 “Operating Segments” are therefore as follows:

- GS Superhighway
- GZ West Superhighway
- Xintang Interchange

Information regarding the above segments is reported below.

Segment revenue and results

	Nine months ended 30 September									
			2021					2022		
	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results	Segment revenue	EBITDA	Depreciation and amortisation	Interest and tax	Segment results
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Toll expressway projects										
GS Superhighway	964,050	910,038	(348,178)	(197,497)	364,363	785,651	713,394	(328,839)	(136,005)	248,550
GZ West Superhighway	497,195	442,476	(175,950)	(126,943)	139,583	411,186	350,589	(147,717)	(102,599)	100,273
	<u>1,461,245</u>	<u>1,352,514</u>	<u>(524,128)</u>	<u>(324,440)</u>	<u>503,946</u>	<u>1,196,837</u>	<u>1,063,983</u>	<u>(476,556)</u>	<u>(238,604)</u>	<u>348,823</u>
Land development and utilization Project										
Xintang Interchange	11,428	(2,399)	(57)	(22,102)	(24,558)	20,467	2,103	(117)	(9,319)	(7,333)
Total	<u>1,472,673</u>	<u>1,350,115</u>	<u>(524,185)</u>	<u>(346,542)</u>	<u>479,388</u>	<u>1,217,304</u>	<u>1,066,086</u>	<u>(476,673)</u>	<u>(247,923)</u>	<u>341,490</u>
Corporate interest income from bank deposits					20,911					26,084
Corporate investment income from structured deposit					5,566					5,835
Corporate interest income from loans made by the Group to a joint venture					33,205					13,468
Other income and other gain					14,349					2,348
Corporate general and administrative expenses and depreciation					(29,169)					(40,787)
Corporate finance costs					(14,550)					(27,676)
Corporate income tax expense					(35,589)					(7,725)
Net exchange gain (loss) (net of related income tax) (Note)					15,776					(87,809)
Profit for the period					489,887					225,228
Profit for the period attributable to non-controlling interests					(6,841)					(3,668)
Profit for the period attributable to owners of the Company					<u>483,046</u>					<u>221,560</u>

Note: Net exchange gain (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 RMB72,751,000 (nine months ended 30 September 2021: net exchange gain (net of related income tax) of RMB8,122,000) and the net exchange loss of the Group of RMB15,058,000 (nine months ended 30 September 2021: net exchange gain of RMB7,654,000).

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 and revenue from sales of properties received, and receivable (net of value-added tax) from land development and utilisation project in the People's Republic of China (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) respectively 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:

	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Total segment results	479,388	341,490
Add:		
Net exchange gain (loss) (net of related income tax)	8,122	(72,751)
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	<u>31,592</u>	<u>18,112</u>
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss	<u><u>519,102</u></u>	<u><u>286,851</u></u>
3. OTHER INCOME		
	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest income from:		
Bank deposits	20,911	26,084
Amount due from a joint venture	33,205	13,468
Investment income from structured deposits	5,566	5,835
Others	<u>2,293</u>	<u>2,348</u>
	<u><u>61,975</u></u>	<u><u>47,735</u></u>
4. OTHER GAIN AND LOSS		
	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net exchange gain (loss)	7,654	(15,058)
Write back of unrealised loss related to partial disposal of a joint venture in prior year	<u>12,056</u>	<u>-</u>
	<u><u>19,710</u></u>	<u><u>(15,058)</u></u>

5. SHARE OF RESULTS OF JOINT VENTURES

	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
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	589,174	350,277
Amortisation of additional cost of investments in joint ventures	(70,072)	(63,426)
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(44,010)	(46,771)
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	44,010	46,771
	<u>519,102</u>	<u>286,851</u>

6. INCOME TAX EXPENSE

	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
The tax charge comprises:		
PRC Enterprise Income Tax ("EIT")		
The Group	19,645	18,176
Refund of EIT of a subsidiary recognised in prior year	(5,783)	-
Deferred tax	53,319	7,661
	<u>67,181</u>	<u>25,837</u>

No provision for Hong Kong Profits Tax has been made as there was no assessable profit derived from or arising in Hong Kong for both periods.

The EIT charge of the Group for the nine months ended 30 September 2022 included an amount of RMB11,438,000 (2021: RMB8,744,000) representing the 5% withholding tax imposed on dividends declared by joint ventures of the Group of which the corresponding amount had already been provided for deferred tax in prior periods in respect of undistributed earnings of a joint venture.

7. EARNINGS PER SHARE

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

	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings for the purpose of basic earnings per share	<u>483,046</u>	<u>221,560</u>
	Nine months ended 30 September	
	<u>2021</u>	<u>2022</u>
	Number	Number
	of shares	of shares
Number of ordinary shares for the purpose of basic earnings per share	<u>3,081,690,283</u>	<u>3,081,690,283</u>

No diluted earnings per share have been presented as there was no potential ordinary shares in issue during both periods.

REVIEW OF FINANCIAL INFORMATION

The audit committee of the Company had reviewed with the management of the Company the accounting principles and practices adopted by the Group and discussed the financial reporting matters, including the Group's unaudited financial information for the nine months ended 30 September 2022.

By Order of the Board
**Shenzhen Investment Holdings Bay Area
Development Company Limited**
Wei HU*
Chairman

Hong Kong, 21 October 2022

As at the date of this announcement, the Board comprises five Executive Directors namely, Mr. Wei HU (Chairman), Mr. Tianliang ZHANG* (General Manager), Mr Jianming WU* (Executive General Manager), Mr. Cheng WU* (Deputy General Manager) and Mr. Ji LIU* (Deputy General Manager and secretary to the Board); two Non-executive Directors namely, Mr. Junye CAI * and Mr. Weiguo ZONG*; and four Independent Non-executive Directors namely, Mr. Brian David Man Bun LI, Mr. Yu Lung CHING, Mr. Tony Chung Nin KAN and Mr. Peng XUE*.*

** For identification purpose only*