

For Immediate Release

25 February 2021

Shenzhen Investment Holdings Bay Area Development Company Limited

深圳投控灣區發展有限公司

(incorporated in the Cayman Islands with limited liability)

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

Shenzhen Investment Holdings Bay Area Development Company Limited Announces 2020 Final Results

Highlights

- The Company's net profit increased by 13% YoY to RMB689 million, mainly due to the gain on disposal of 22.5% equity interest in Xintang JV and the exchange gain benefited from the appreciation of RMB offsetting the decrease in toll revenue caused by the implementation of the policy of waiver of tolls in light of the COVID-19 pandemic.
- In September 2020, the Company and GPCG (through Guangdong Highway Construction) completed to dispose of an aggregate of 60% equity interest in the Xintang JV (representing 22.5% equity interest owned by the Company and 37.5% equity interest owned by Guangdong Highway Construction) and the corresponding shareholders' loans. Upon completion of the Disposal, the Company still owns 15% equity interest in the Xintang JV and realised the pre-tax gain on Disposal of approximately RMB545 million and the post-tax profit from Disposal of approximately RMB409 million.
- Proposed final dividend of RMB9.1 cents per share, representing a regular dividend payout ratio of 100% for the year (excluding the special interim dividend of RMB10 cents per share).

(February 25, 2021 – Hong Kong) **Shenzhen Investment Holdings Bay Area Development Company Limited** (“Bay Area Development”, the “Company”; SEHK HKD-traded Shares: 737; SEHK RMB-traded Shares: 80737) announced today its final results for the year ended 31 December 2020.

During the year under review, profit attributable to owners of the Company increased by 13% YoY to RMB689 million (or RMB22.35 cents per share). The increase was mainly attributable to post-tax profit from Disposal of approximately RMB409 million through the disposal of 22.5% equity interest in the Xintang JV and the exchange gain from the Company's share of the US Dollar and Hong Kong Dollar loans of the GS JV amounted to RMB73 million offsetting the decrease in toll revenue caused by the implementation of the policy of waiver of tolls in light of the COVID-19 pandemic during 17 February to 5 May 2020.

The Board has proposed a final dividend of RMB9.1 cents per share (equivalent to HK10.936835 cents per share at the exchange rate of RMB1:HK\$1.20185) for the year ended 31 December 2020. Together with the special interim dividend of RMB10 cents per share to be paid, the total dividends for the year will amount to RMB19.1 cents per share. The total regular dividends represent a regular dividend payout ratio of 100% of the profit attributable to owners of the Company (excluding post-tax profit on partial disposal of Xintang JV) and will be the same as that of last year. Subject to shareholders' approval at the Annual General Meeting to be held on 30 April 2021, the proposed final dividend will be paid on 27 July 2020 to shareholders registered at the close of business on 6 May 2020. With the easing of the pandemic and recovery of the economy in Mainland China, the Board believes that the Company's full-year regular dividend payout ratio target of 100% on recurring income will be maintained, taking into account the stable dividend payments of the GS JV and that the GZ West JV commenced to pay dividends to the Company since 2020.

Mr. Zhengyu Liu, Chairman and Non-executive Director of Bay Area Development, said: "Bay Area has remarkable regional advantages and great development potential and its economic vitality and overall strength continue to grow under the impact of the pandemic. The business of the Company is located in the premium location of the eastern and western coast of the Bay Area and is expected to grow in line with the economic growth of the Bay Area."

During the year under review, affected by the implementation of the policy of waiver of tolls on toll roads nationwide, extension on the Holiday Toll-free Policy for small passenger vehicles with 7 seats or less during the Lunar New Year holiday, as well as increased electronic toll collection discount rate from 2% to 5%, toll revenue and traffic volume of the GS Superhighway and the GZ West Superhighway decreased significantly YoY. During the year, the average daily toll revenue and average daily full-length equivalent traffic of the GS Superhighway both declined by 26% YoY to RMB6.51 million and 74,000 vehicles respectively; while the average daily toll revenue and average daily full-length equivalent traffic of the GZ West Superhighway declined by 28% and 27% YoY to RMB2.99 million and 43,000 vehicles respectively.

Following the resumption of toll collection for toll roads nationwide from 6 May 2020 and driven by the economic recovery of the cities along the expressways, the performance of the GS Superhighway rebounded significantly in the second half of 2020 with average daily toll revenue and average daily full-length equivalent traffic increasing by 2% and 1% YoY to RMB9.14 million and 103,000 vehicles respectively. The performance of the GZ West Superhighway has also stabilised. However, due to diversion impact caused by the conversion of Foshan Ring Road into a toll expressway and the closure and transformation of the Shizhou toll station since August 2020, its average daily toll revenue and average daily full-length equivalent traffic in the second half of 2020 decreased by 3% and 5% YoY to RMB4.21 million and 60,000 vehicles respectively. As people around the world begin to get COVID-19 vaccine injections, it is expected that the pandemic will be further controlled, bringing international economic and trade activities back on track. The domestic economy is expected to maintain steady growth, which will lead to a continuous increase in logistics and transportation demand, providing a solid foundation for the businesses of the GS Superhighway and the GZ West Superhighway.

The Guangzhou Xintang residential project made significant progress during the year under review. Xintang JV introduced CR Land to jointly engage in the construction of the project. Currently, the Company owns 15% equity interest in the Xintang JV and the project has commenced construction, of which the construction of the residential and ancillary work is planned to be carried out in three phases. It is expected that the pre-sale of a portion of the residential units in the first phase will commence in 2021, with the annual sales target comprising a gross floor area of approximately 70,000 square metres, which can be delivered to the buyers and revenue will be recognised in 2023 the earliest.

The preliminary feasibility report of the expansion of GS Superhighway has been completed at the end of 2020 and went through preliminary review by relevant government departments in January 2021. In the next stage, the feasibility report of the expansion work will be further revised pursuant to the comments received from the preliminary review and subsequent to the revisions, the process to submit application for work approval will be entered. Pending to the official approval by relevant government departments, the construction scale and estimated cost for the expansion work would be finalised. On the other hand, the tender for survey and design work is carried out simultaneously in order to strive to officially commence the expansion work in 2022.

For more details, please refer to the announcement posted on the Bay Area Development website (www.sihbay.com).

Financial Highlights

(in million RMB)	For the year ended 31 December		% Change
	2019	2020	
Net toll revenue	2,144	1,573	-27%
Results of toll expressway projects	676	256	-62%
Gain on disposal of 22.5% equity interest in Xintang JV	-	545	N/A
Profit before net exchange (loss)/ gain	643	621	-3%
Net exchange (loss)/ gain	(22)	73	N/A
Profit attributable to owners of the Company	612	689	+13%

Operational Highlights

	Year 2019	Year 2020	% Change
Average Daily Toll Revenue (RMB '000)			
GS Superhighway	8,835	6,509	-26%
GZ West Superhighway	4,150	2,994	-28%
Average Daily Full-Length Equivalent Traffic^{N1} ('000 vehicles)			
GS Superhighway	100	74	-26%
GZ West Superhighway	59	43	-27%

	Second half of 2019	Second half of 2020	% Change
Average Daily Toll Revenue (RMB '000)			
GS Superhighway	8,935	9,142	+2%
GZ West Superhighway	4,345	4,212	-3%
Average Daily Full-Length Equivalent Traffic^{N1} ('000 vehicles)			
GS Superhighway	102	103	+1%
GZ West Superhighway	63	60	-5%

N1: Average daily full-length equivalent traffic is defined as the total distance travelled by all vehicles on the expressway divided by the full length of the expressway and the total number of days in the year/ period under review.

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About Shenzhen Investment Holdings Bay Area Development Company Limited

Listed on The Stock Exchange of Hong Kong Limited in August 2003, Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited) focuses on the development of infrastructure and related businesses in the Guangdong-Hong Kong-Macao Greater Bay Area as well as land development and utilisation along the GS Superhighway.

This press release is issued by **Wonderful Sky Financial Group Limited** on behalf of **Shenzhen Investment Holdings Bay Area Development Company Limited**.

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