

# SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED

*(incorporated in the Cayman Islands with limited liability)*  
Stock Codes: 737 (HKD counter) & 80737 (RMB counter)



INTERIM REPORT **2022**

# About Us

Shenzhen Investment Holdings Bay Area Development Company Limited (the “Company”, formerly known as Hopewell Highway Infrastructure Limited) was incorporated in the Cayman Islands with limited liability and listed on The Stock Exchange of Hong Kong Limited since 6 August 2003 with stock codes 737 (HKD counter) and 80737 (RMB counter). The Company is principally engaged in expressway business and adopts development strategies focusing on the infrastructure and correlated business as well as land development and utilisation along the GS Superhighway within the Guangdong-Hong Kong-Macao Greater Bay Area. Shenzhen Expressway Corporation Limited, a company listed on The Stock Exchange of Hong Kong Limited (Stock Code: 548) and Shanghai Stock Exchange (Stock code: 600548), became the controlling shareholder of the Company on 11 January 2022.



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# Business Review

## Overall Business Performance

During the period under review, the aggregate average daily toll revenue of the GS Superhighway and the GZ West Superhighway decreased by 20% YoY to RMB9.13 million and the total toll revenue amounted to RMB1.65 billion. The decrease in toll revenue was mainly due to the continuous outbreak of COVID-19 pandemic in Guangdong Province. Cities along the GS Superhighway and the GZ West Superhighway, 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, which had a direct impact on the traffic of the expressway. The negative impact of the pandemic continued. In addition to the impact of the COVID-19 pandemic on the social transportation volume, the diversion impact caused by the newly opened expressways and reconstructed local roads in the surrounding areas of the GS Superhighway and the GZ West Superhighway also resulted in the YoY decrease in the operational performance of the GS Superhighway and the GZ West Superhighway. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic of the GS Superhighway decreased by 20%, 20% and 17% YoY to RMB6.21 million, 71,000 vehicles and 507,000 vehicles respectively; the average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic of the GZ West Superhighway decreased by 20%, 20% and 21% YoY to RMB2.92 million, 41,000 vehicles and 215,000 vehicles respectively.

All the residential units of the first phase of the Grand Park City have been launched for pre-sale and part of the sales revenue has started to be recognised based on completion stage. During the period under review, the contracted sales amounted to approximately RMB360 million.

In March 2022, the Company issued an announcement regarding “Possible Acquisition of 51% Equity Interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited from the Controlling Shareholder”. The due diligence and asset valuation of the transaction have been basically completed. The negotiation and internal procedures between the Company and its controlling shareholder in respect of the transaction are still in progress. Further information will be announced to the market when appropriate.



## Business Review

Year	First half of 2021	First half of 2022	% Change
<b>At JV level</b>			
<b>GS Superhighway</b>			
Average daily toll revenue <sup>N1</sup> (RMB '000)	7,735	<b>6,214</b>	-20%
Average daily full-length equivalent traffic <sup>N2</sup> (No. of vehicles '000)	89	<b>71</b>	-20%
Average daily mixed traffic <sup>N3</sup> (No. of vehicles '000)	611	<b>507</b>	-17%
<b>GZ West Superhighway</b>			
Average daily toll revenue <sup>N1</sup> (RMB '000)	3,636	<b>2,918</b>	-20%
Average daily full-length equivalent traffic <sup>N2</sup> (No. of vehicles '000)	51	<b>41</b>	-20%
Average daily mixed traffic <sup>N3</sup> (No. of vehicles '000)	272	<b>215</b>	-21%

<sup>N1</sup>: Including tax

<sup>N2</sup>: 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

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

## Operating Environment

### Domestic and External Economic Situation

In the first half of 2022, the international situation was complex and severe. The intensifying geopolitical conflicts and the continued escalation of Russia-Ukraine crisis caused a huge impact on global economic and trade transactions and commodity prices, and also increasing the stagflation risk of the global economy. In addition, the spread of the COVID-19 pandemic in multiple regions of Mainland China and the continuous introduction of control measures strongly affected the supply and demand sides of the economy, which led to a significant increase in downward pressure on the economic performance in Mainland China. Against this complicated economic environment, the GDP of Mainland China and Guangdong Province grew by 2.5% and 2.0% respectively in the first half of 2022, overcoming the impact of the unfavourable factors.

## Business Review

On 31 May 2022, the State Council issued a “Package of Policies and Measures to Solidly Stabilise the Economy” (《紮實穩住經濟的一攬子政策措施》), proposing a total of 33 policies and measures in six major aspects, covering fiscal, monetary and financial, stability of investment and promotion of consumption, food and energy security, stability of industry and supply chains and basic livelihood security, to strengthen the macro policies in stabilising the economy. On 1 June 2022, the Guangdong Provincial Government issued the “Implementation Plan for Guangdong Province to Implement a ‘Package of Policies and Measures to Solidly Stabilise the Economy’ issued by the State Council” (《廣東省貫徹落實國務院〈紮實穩住經濟的一攬子政策措施〉實施方案》), forming 131 specific policies from the six aspects to promote the implementation of a “Package of Policies and Measures to Solidly Stabilise the Economy” to stabilise the economic environment of Guangdong Province and the Bay Area. It is expected that with the effective implementation of a package of policies and measures, the economic foundation will return to stability, and the economic performance will remain within a reasonable range.

### Development of the Bay Area

In 2021, the Bay Area has a total population of more than 86 million while its GDP was over RMB12.6 trillion, accounting for approximately 11% of the GDP in Mainland China. There are 25 enterprises entering the world’s top 500 and it is one of the most economically active regions in Mainland China with dominant regional advantages and huge development potential.



\* Include HKSAR, Macao SAR, Guangzhou, Shenzhen, Zhuhai, Dongguan, Huizhou, Zhongshan, Foshan, Zhaoqing and Jiangmen

<sup>^</sup> Calculated based on the average exchange rate of RMB1 to HKD1.2054 in 2021 (Census and Statistics Department, HKSAR)

<sup>#</sup> Calculated based on the average exchange rate of RMB1 to MOP1.240866 in 2021 (Statistics and Census Service, Macao SAR)

Source: Statistics Bureau of Guangdong Province, Census and Statistics Department, HKSAR, Statistics and Census Service, Macao SAR

## Business Review

Since the promulgation of the “Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area” (《粵港澳大灣區發展規劃綱要》) in 2019, Mainland China and Guangdong Province have successively introduced a series of policies to support the accelerated implementation of the construction process of the Bay Area. Following the publication of the “Overall Plan for the Construction of the Hengqin Guangdong-Macao Intensive Cooperation Zone” (《橫琴粵澳深度合作區建設總體方案》) and the “Comprehensive Deepening of the Reform and Opening-up Plan for Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone” (《全面深化前海深港現代服務業合作區改革開放方案》) in September 2021, the State Council issued the “General Plan for Opening-up of Guangzhou Nansha to Deepen Comprehensive Cooperation among Guangdong, Hong Kong and Macao” (《廣州南沙深化面向世界的粵港澳全面合作總體方案》) in June this year. It suggests that the construction of the Bay Area has shown vitality by strengthening policy support, which has provided a strong foundation for the Mainland China’s economic innovation and competitiveness enhancement. With 2025 and 2035 as the time nodes, the Nansha Plan, as a fundamental document to promote the construction of Nansha, proposed the phased goals of scientific and technological innovation system and mechanism, public service level, business environment, etc., and set out the five tasks of building a cooperation base for the scientific and innovation industry, establishing of youth entrepreneurship and employment cooperation platform, construction of high-level opening-up portals, creating of rule-based mechanisms to connect highlands, and establishing of high-quality urban development benchmarks. Mainland China and Guangdong Province have continuously introduced specific policies and measures to support the development of the Bay Area, and continued to strengthen the core development momentum of the Bay Area, which will benefit the operating environment of the Group’s expressway business in the long run and provide strong support for the long-term and stable development of the Group’s business.

### Latest Updates on Industry Policies

#### Differentiated tariff for expressway

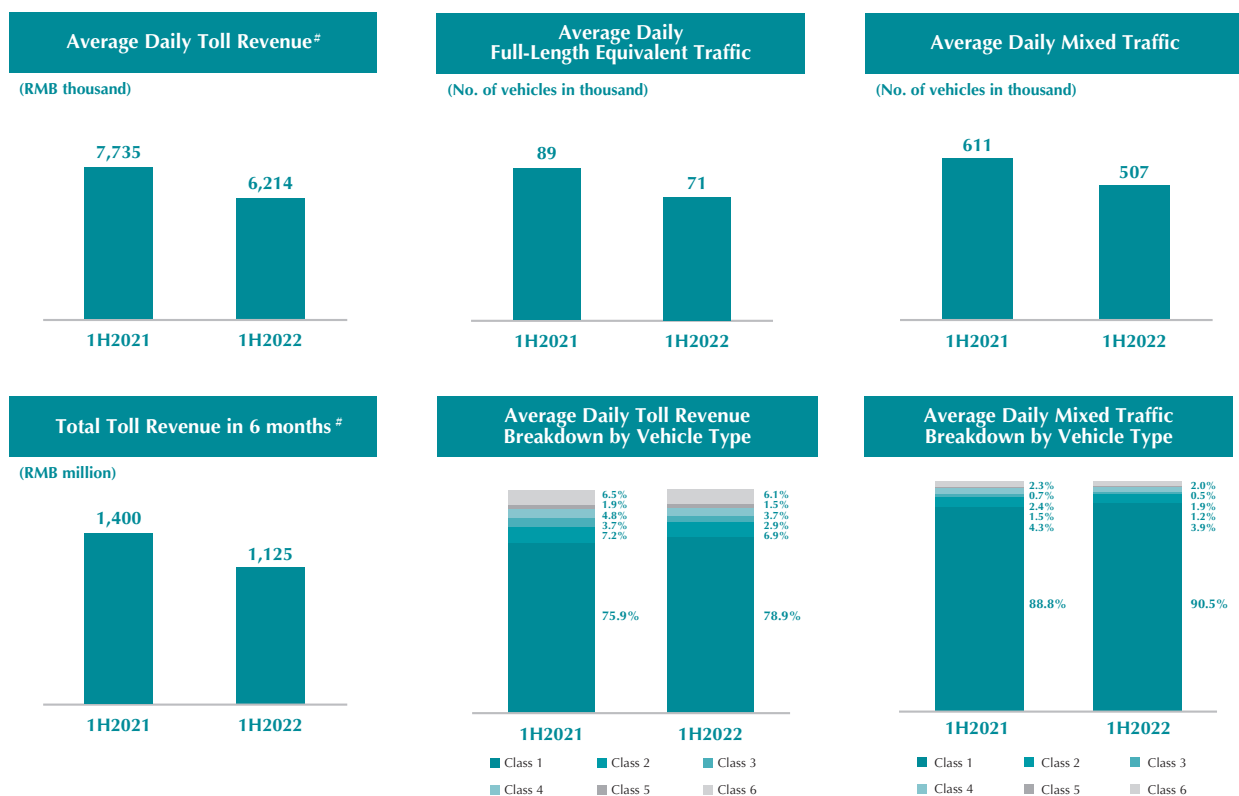
In April 2022, Guangdong Province announced the “Plan on Implementing Differentiated Tariff for Expressway Nationwide” (《全面推廣高速公路差異化收費實施方案》), which includes five specific work measures. Firstly, it will continue to implement the existing six differentiated tariff schemes, namely, the 5% toll discount for ETC vehicles, the tariff standard for large passenger vehicles with 40 seats above will be charged as Class 3 passenger vehicles, the 1% toll discount for Class 6 trucks, the 15% toll discount for legally loaded ETC trucks for 85 provincial and municipal expressways, and the discount for trucks for the Shenzhen section of Guangshen Coastal Expressway and the Nansha Port Highway remained unchanged until the end of 2024. Secondly, the newly built expressways wholly owned and controlled by state-owned enterprises in Guangdong Province will provide 15% toll discount for legally loaded ETC trucks and encourage other expressways to implement the same. Thirdly, eligible cities and districts are encouraged to implement toll preferential measures for expressways within their jurisdiction. Fourthly, free trial operation of newly opened expressways is encouraged. Fifthly, the operators of commercial expressways are supported to implement differentiated tariff independently. As such plan is basically a continuation of the differentiated tariff scheme in place and there is no other additional mandatory concession, there will be no further negative impact on the toll revenues of the GS Superhighway and the GZ West Superhighway.

#### Supportive policies for vehicle sales in Mainland China

The “Implementation Plan for Guangdong Province to Implement a ‘Package of Policies and Measures to Solidly Stabilise the Economy’ issued by the State Council” promulgated by Guangdong Province in June 2022 includes specific measures to support automobile consumption and automobile trade-in, such as trade-in subsidies, subsidies for purchasing new energy vehicles, increasing car purchase indicators in Guangzhou and Shenzhen, prohibition of implementing new measures to restrict automobile purchase in various areas, and fully implementing the cancellation of the policy on restricting the relocation of second-hand vehicles. The measures will not only support the continuous growth of car ownership and transportation volume, but also the operating environment of the expressway industry.

### 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 GDP of Guangzhou, Dongguan and Shenzhen rose 1.0%, 1.6% and 3.0% YoY respectively in the first half of 2022. Despite the economy of the cities along the GS Superhighway maintained growth, the operational performance of the GS Superhighway declined YoY due to the continuous impact of the COVID-19 pandemic. In the first half of 2022, the total toll revenue was RMB1,125 million. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic decreased by 20%, 20% and 17% YoY to RMB6.21 million, 71,000 vehicles and 507,000 vehicles respectively. Affected by the fluctuating situation of the COVID-19 pandemic, especially in March and April 2022, cities along the GS Superhighway, such as Shenzhen, Dongguan and Guangzhou, have temporarily implemented strict lockdown control measures and stopped all unnecessary travel and activities, thus citizen have travelled less frequently and causing a greater impact on toll revenue. The GS Superhighway's toll revenue in May and June has recovered from March and April, but it has not yet returned to the level of last year due to the continued negative impact of the COVID-19 pandemic. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 78.9% and 90.5% of the toll revenue and mixed traffic volume of the GS Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 65% and 67% of the toll revenue and traffic volume of the GS Superhighway respectively.



<sup>#</sup> Including tax



## Business Review

The Shenzhen section Phase I, Dongguan section and Shenzhen section Phase II of Shenzhen Outer Ring Expressway were opened to traffic at the end of 2020 and in January 2022 respectively. The fully opened Shenzhen Outer Ring Expressway is another east-west expressway located at the north of Jihe Expressway, and is connected to several expressways such as the Guangshen Coastal Expressway, the GS Superhighway, the Nanguang Expressway, the Longda Expressway and the Meiguan Expressway. As the Songgang Interchange connecting with the GS Superhighway has not yet been opened, vehicles travelling on the Shenzhen Outer Ring Expressway cannot access to the GS Superhighway at the moment, thus causing a greater diversion impact on the GS Superhighway in 2021. However, such diversion impact did not further increase in the first half of 2022 and hence did not result in further negative impact.

In addition, Phase II of the Nanping Highway linking the Qianhai sub-district and Phase II of the Dongguan-Panyu Expressway linking the GS Superhighway in the Houjienan Interchange to the Dongguan-Shenzhen Expressway were opened to traffic in July 2021 and late 2021 respectively. These newly opened roads only had a slight diversion impact on the GS Superhighway during the period under review.

### Expansion of GS Superhighway

Various works of the expansion of the GS Superhighway continues to advance based on the target to formally commence the expansion work in 2023. At present, the feasibility study revision report for the expansion work of the Guangzhou-Dongguan section has been basically completed, while the feasibility study revision report for the expansion work of the Shenzhen section is still in progress. After the completion of the revision report, the stage of application for work approval will be entered. According to the preliminary feasibility report of the expansion work, the expansion of the GS Superhighway involves 118.2km, from its current 6 lanes in dual directions to 8-12 lanes at different sections, with a preliminary estimated cost of RMB47.1 billion, yet the final construction scale and estimated cost are pending to the official approval by relevant government departments and are to be determined.



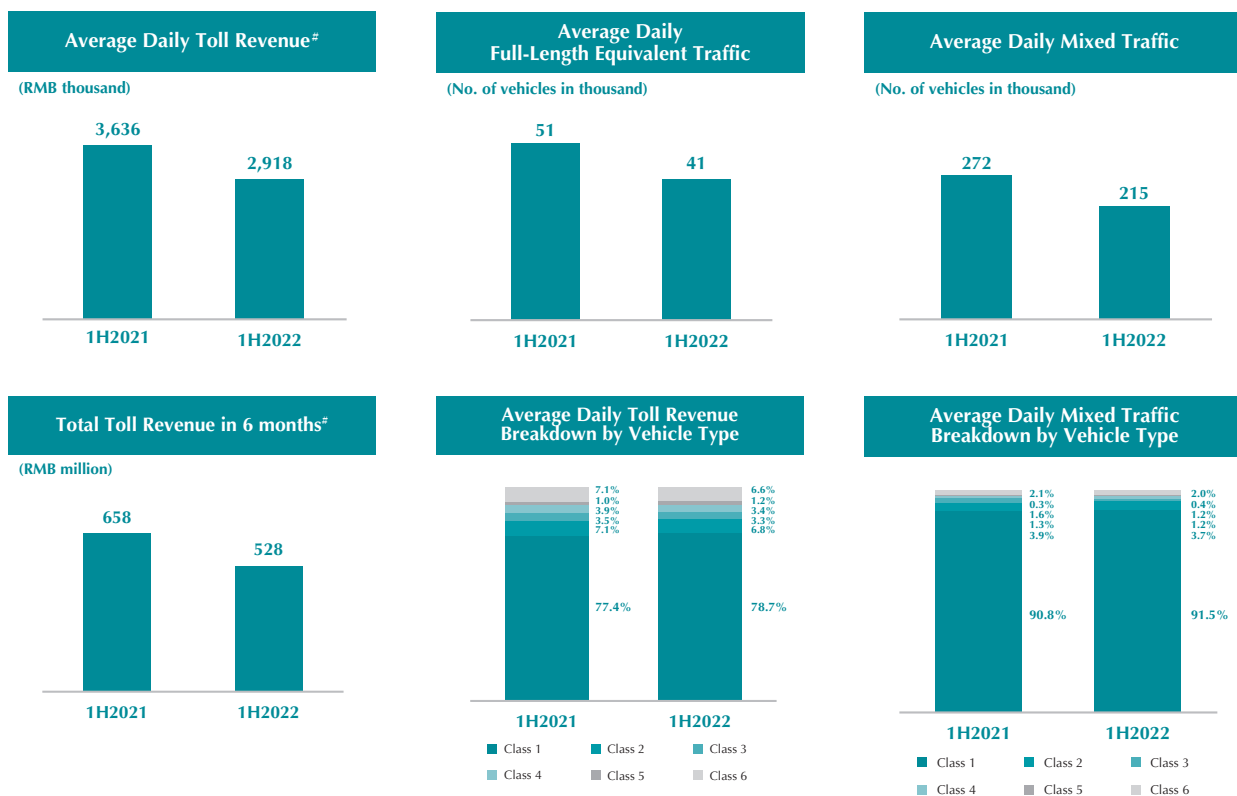
### Potential Land Development and Utilisation of GS Superhighway

The public consultation notice issued by the government departments on the change of the nature of land use around Luogang Interchange to Type II residential (inclusive of commercial use) ended on 25 October 2021 and is still pending for the relevant government departments to announce its decision. If the planning is implemented, Luogang Interchange would be reconstructed to vacate land for residential development (inclusive of commercial use). The government shall resume the vacated land plots from GS JV in accordance with the relevant laws and regulations, and will put up for bidding and auction. Currently, the GS JV and the local government have basically completed the negotiation on the arrangement (including the compensation sum) for the resumption of the vacated land, so that a resumption agreement can be signed as soon as the planning is finalised, and the land resumption procedures of the Luogang Interchange are targeted to be completed in 2022. The Company is also negotiating with Guangdong Highway Construction to establish a joint venture, and will participate in the bidding for land use rights after the resumed land plot is put up for auction by the local government. However, the development and utilisation of land is subject to procedures for the change of land use and the obtaining of land use rights for future development according to relevant urban planning and regulations, which remain uncertain at the current stage.

The Company and Guangdong Highway Construction are promoting the studies on the planning that integrates the expansion with land development of Dongguan section and Shenzhen section. In particular, Daojiao Interchange and Xinqiao Interchange will be the key projects for study on feasibility in the next stage, and will further communicate with relevant government authorities proactively.

### GZ West Superhighway

The GZ West Superhighway is the expressway artery between the city centres of Guangzhou and Zhuhai, and offers access to the HZM Bridge. The GDP of Guangzhou, Foshan, Zhongshan and Zhuhai rose 1.0%, 2.8%, 1.0% and 2.0% YoY respectively in first half of 2022. Despite the economy of the cities along the GZ West Superhighway maintained growth, the operational performance of the GZ West Superhighway declined YoY due to the continuous impact of the COVID-19 pandemic. In the first half of 2022, the total toll revenue was RMB528 million. The average daily toll revenue, average daily full-length equivalent traffic and average daily mixed traffic decreased by 20%, 20% and 21% YoY to RMB2.92 million, 41,000 vehicles and 215,000 vehicles respectively. Affected by the fluctuating situation of the COVID-19 pandemic, especially in January and April 2022, cities along the GZ West Superhighway, such as Zhuhai, Zhongshan and Guangzhou, have temporarily implemented strict lockdown control measures, thus citizen have travelled less frequently and causing a greater impact on toll revenue. The GZ West Superhighway's toll revenue in May and June has recovered from March and April, but it has not yet returned to the level of last year due to the continued negative impact of the COVID-19 pandemic. Toll revenue and mixed traffic volume contributed by Class 1 vehicles accounts for 78.7% and 91.5% of the toll revenue and mixed traffic volume of the GZ West Superhighway respectively. The amount of tolls collected and traffic volume of vehicles using ETC payment cards accounted for approximately 66% and 68% of the toll revenue and traffic volume of the GZ West Superhighway respectively.



# Including tax

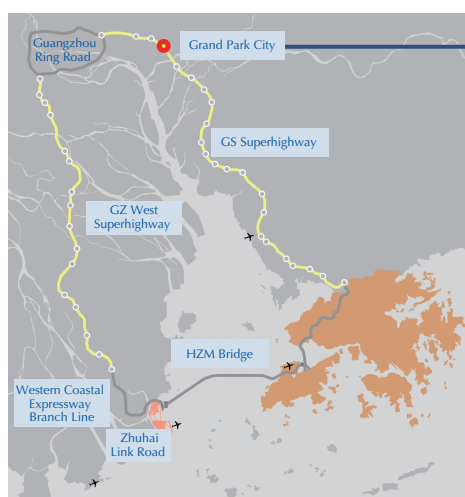
## Business Review

During the period under review, the road improvement projects and newly opened expressway around the GZ West Superhighway have also caused diversion impact on it. The reconstruction project of Zhongshan Shalang and Guhe section of National Highway 105 was completed successively in the second half of 2021. Together with the newly upgraded local road in Sanxiang and Tanzhou, vehicles travelling to and from Zhongshan and Zhuhai returned to travelling the National Highway and local road. In addition, Phase IV of the Guangzhou-Zhongshan-Jiangmen Expressway was opened at the end of December 2021, representing the full opening of the Guangzhou-Zhongshan-Jiangmen Expressway. It is another east-west channel on the west bank of the Pearl River, which is connected with several expressways such as the Dongxin Expressway, the GZ West Superhighway and the Foshan-Jiangmen Expressway. The newly opened section is interconnected at the Nantoubei Interchange of the GZ West Superhighway, which makes it easier to travel to and from Jiangmen and Guangzhou, which has caused diversion on the vehicles travelling between Ronggui and Zhongjiang section of the GZ West Superhighway.

## Grand Park City

The Grand Park City Project consists of three phases. All the residential units of the first phase have been launched for pre-sale and part of the sales revenue has started to be recognised based on completion stage in 2021. During the period under review, contracted sales amounting to approximately RMB360 million, representing the average sales price of RMB26,000 per square metre was recorded. The construction of residential units has been smoothly proceeded as scheduled so far. All 7 blocks of the first phase have been topped out and are undergoing interior decoration. It is expected to be delivered to buyers in 2023 as scheduled. The second phase consists of 12 blocks and the construction has commenced in the second quarter of 2022, of which 1 block has commenced pre-sale in June 2022 and is scheduled to be delivered to buyers in 2024.

### Location of Grand Park City



# Financial Review

The Group's unaudited interim results for the six months ended 30 June 2022 were as follows:

						Six months ended 30 June				
	2021					2022				
	Depreciation and Interest					Depreciation and Interest				
	amortisation and tax					amortisation and tax				
RMB million	Revenue	EBITDA			Results	Revenue	EBITDA			Results
Group's share project contributions:										
Toll expressway projects										
— GS Superhighway <sup>Note 1</sup>	612	562	(226)	(122)	214	492	457	(195)	(86)	176
— GZ West Superhighway	319	293	(123)	(82)	88	256	217	(91)	(66)	60
Sub-total	931	855	(349)	(204)	302	748	674	(286)	(152)	236
Land development and utilisation project										
— Xintang Interchange	—	(4)	—	(18)	(22)	11	3	0	(7)	(4)
Total	931	851	(349)	(222)	280	759	677	(286)	(159)	232
YoY change						-18%	-20%	-18%	-28%	-17%
Corporate:										
Bank deposits interest income					17					20
Investment income from structured deposit					1					3
Interest income of loans to a JV					27					9
Other income and other gain					14					1
General and administrative expenses and depreciation					(20)					(23)
Finance costs					(9)					(14)
Income tax expense					(33)					(6)
Sub-total					(3)					(10)
Profit before net exchange gain/(loss)										222
Net exchange gain/(loss)					14					(42)
Profit for the period										180
Profit attributable to non-controlling interests										(3)
Profit attributable to owners of the Company										177
YoY change										-38%

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



### Toll Expressway Projects

The Group's share of net toll revenue of the expressway projects namely the GS Superhighway and the GZ West Superhighway operated by two joint ventures decreased by 20% to RMB748 million from RMB931 million for the corresponding period of last year, of which the net toll revenue of the GS Superhighway decreased by 20% to RMB492 million from RMB612 million for the corresponding period of last year; the net toll revenue of the GZ West Superhighway decreased by 20% to RMB256 million from RMB319 million for the corresponding period of last year. The main reasons for the decrease in toll revenue include: the continuous outbreak of COVID-19 pandemic in Guangdong Province, cities along the GS Superhighway and the GZ West Superhighway, 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, which had a direct impact on the traffic of the expressway, and 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.

As the toll revenue of the GS Superhighway and the GZ West Superhighway recorded a decrease during the period under review, the Group's share of aggregate EBITDA of its two toll expressways (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) decreased by 21% to RMB674 million from RMB855 million for the corresponding period of last year. The Group's share of EBITDA of the GS Superhighway decreased by 19% to RMB457 million from RMB562 million for the corresponding period of last year; the Group's share of EBITDA of the GZ West Superhighway decreased by 26% to RMB217 million from RMB293 million for the corresponding period of last year.

As affected by the pandemic and diversion impact mentioned above, the actual full-length equivalent traffic (including tolled and toll-free) of the GS Superhighway and the GZ West Superhighway during the period under review decreased as compared to the corresponding period of last year. The Group's share of depreciation and amortisation charges of the GS Superhighway amounted to RMB195 million, representing a decrease of 14% from RMB226 million as compared to the corresponding period of last year. The Group's share of depreciation and amortisation charges of the GZ West Superhighway amounted to RMB91 million, representing a decrease of 26% from RMB123 million as compared to the corresponding period of last year. Overall, the Group's share of aggregate depreciation and amortisation charges of the two toll expressways amounted to RMB286 million, representing a decrease of 18% from RMB349 million as compared to the corresponding period of last year.

## Financial Review

Since the GS JV successfully reached an agreement with banks to reduce the interest rates for USD and HKD denominated loans by 0.5% from September 2021, and RMB denominated loans benefited from the reduction of the loan prime rate. The Group's share of interest expenses of the GS JV decreased by 23% to RMB17 million from RMB22 million for the corresponding period of last year; the GZ West JV benefiting from the decline in the loan prime rate, leading to a reduction of interest expenses of the GZ West JV. The Group's share of interest expenses of the GZ West JV decreased by 14% to RMB42 million from RMB49 million for the corresponding period of last year. The applicable PRC EIT rate for both the GS JV and the GZ West JV is 25%. With the decrease in toll revenue, the Group's share of tax expenses of the GS JV decreased by 31% to RMB69 million from RMB100 million for the corresponding period of last year, while the Group's share of tax expenses of the GZ West JV decreased by 27% to RMB24 million from RMB33 million for the corresponding period of last year. Overall, the Group's share of interest and tax expenses in the two joint ventures in aggregate decreased by 25% to RMB152 million from RMB204 million for the corresponding period of last year.

During the period under review, the Group's share of net profit of the GS JV was RMB176 million, representing a decrease of 18% as compared to a net profit of RMB214 million for the corresponding period of last year; while the Group's share of net profit of the GZ West JV was RMB60 million, representing a decrease of 32% as compared to a net profit of RMB88 million for the corresponding period of last year. The Group's share of aggregate net profit of the two expressway projects (excluding net exchange differences on the GS JV's US Dollar and HK Dollar denominated loans) was RMB236 million, representing a decrease of 22% as compared to a net profit of RMB302 million for the corresponding period of last year.



### Land Development and Utilisation Project

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment holds 15%, 25% (in aggregate) and 60% of equity interest in the Xintang JV respectively.

In order to meet the relevant bank financing requirements in Mainland China, on 30 June 2021, the Xintang JV increased its registered capital from RMB10 million to RMB3.04 billion through a debt-for-equity swap on the existing shareholder's loans, and the shareholder's loans contributed by the Parties accordingly decreased from approximately RMB4,983 million to approximately RMB1,953 million; the registered capital contributed by the Group (through Shenwan Infrastructure) increased from RMB1.50 million to approximately RMB456 million based on its shareholding percentage, and the shareholder's loans decreased from approximately RMB747 million to approximately RMB293 million. As Xintang JV further repaid shareholders' loans to the Parties based on its shareholding percentage, the Group's shareholders' loans to Xintang JV amounted to approximately RMB210 million as of 30 June 2022, with the shareholders' loans bearing an interest rate of 8% per annum. Xintang JV has officially pre-sold certain residential units in May 2021 and has commenced to recognise the revenue based on completion stage in the second half of 2021. It is expected that Xintang JV would contribute profit in 2023.

### The Group

The aggregate amount of the Group's interest income from bank deposits and investment income from structured deposit increased to RMB23 million from approximately RMB18 million for the corresponding period of last year, mainly due to increases in the balances of bank deposits and the structured deposit. As set out in the paragraph under the "Land Development and Utilisation Project", through a debt-for-equity swap of the Xintang JV on 30 June 2021, the shareholders' loans contributed by the Group (through Shenwan Infrastructure) to Xintang JV decreased from approximately RMB747 million to approximately RMB293 million. As a result, the interest income of loans to a JV decreased from approximately RMB27 million for the corresponding period of last year to approximately RMB9 million.

The interest expense of bank loans during the period under review increased by 56% to RMB14 million from RMB9 million for the corresponding period of last year, which was mainly due to the need of contribution to the Xintang JV and general working capital, leading to an increase in the average bank loan balances.

Income tax expenses mainly represent the provision for the interest income from the contribution of shareholder's loans to the Xintang JV by Shenwan Infrastructure, where the applicable PRC EIT rate is 25%; and the provision on the undistributed earnings of Shenwan Infrastructure, according to the prevailing tax laws in the PRC, the withholding tax shall be imposed at a preferential tax rate of 5% (normally at 10%) when Shenwan Infrastructure distributes its profits. Overall, the loss of the Group (excluding JVs) amounted to approximately RMB10 million during the period under review, as compared to loss of approximately RMB3 million for the corresponding period of last year.

Affected by the depreciation of RMB during the period under review, the net exchange loss (including the Group's share of exchange loss on the US Dollar and HK Dollar denominated loans of the GS JV) amounted to RMB42 million was recorded, as compared to the net exchange gain of RMB14 million recorded for the corresponding period of last year. The profit attributable to owners of the Company amounted to RMB177 million, representing a decrease of 38% from RMB287 million as compared to the corresponding period of last year.

### Outlook

Fluctuations in the RMB exchange rate and the expected continued rise in USD interest rates have had a negative impact on both USD and HKD denominated loans to the GS JV. Although the global economic prospect remains uncertain, with the COVID-19 pandemic being basically brought under control in Mainland China, which has had a positive impact on the joint ventures, the Group believes that the stable core business of the GS Superhighway and the GZ West Superhighway will continue to support the Group's future performance enhancement. Overall, the Group remains cautiously optimistic about its future performance: (i) the GS Superhighway and the GZ West Superhighway will benefit from favourable policies, especially the high-quality economic development of the Bay Area; (ii) RMB denominated loans of GS JV and GZ West JV benefited from adopting the lower loan prime rate as the pricing basis; and (iii) the Grand Park City is expected to contribute profit in 2023.

As the economic growth of Mainland China tends to be stable and the GS JV has paid stable dividends to the Group every year, the financial situation of the Group remains robust. The Board believes that the Group's full-year regular dividend payout ratio target of 100% on recurring income will be maintained.

### Financing of the Group

The Group (through Shenwan Infrastructure), GPCG (through Lealu Investment and Leaxin Investment) and Shenzhen Run Investment owns 15%, 25% (in aggregate) and 60% of equity interests in the Xintang JV respectively pursuant to the JV agreement and JV articles of the Xintang JV entered into on 10 September 2020. 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 Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, will contribute the respective amounts of up to RMB1,020 million, RMB1,360 million, RMB340 million and RMB4,080 million, representing 15%, 20%, 5% and 60% 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.

## Financial Review

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 the 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.

The Group has duly made arrangement to meet the capital need of the Xintang JV. On 30 June 2022, the Group contributed approximately RMB891 million to the Xintang JV (comprising registered capital of approximately RMB456 million, shareholder's loans of approximately RMB210 million, and the shareholder's guarantee for bank financing of approximately RMB225 million in proportion to the respective equity interest of shareholders).

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 2021 RMB million	30 June 2022 RMB million		31 December 2021 RMB million	30 June 2022 RMB million
Bank balances and cash, structured deposit	1,903	1,937	Bank loans	1,936	2,032
Shareholder's loan to a JV	263	210	Tax liabilities	139	148
Interest receivable of shareholder's loan to a JV	1	10	Dividend payable	–	339
Other assets	33	46	Other liabilities	18	27
	2,200	2,203		2,093	2,546
			Net assets/(liabilities) of the Group	107	(343)

## Financial Review

### The Group's share of JVs

#### GS JV (The Group's shared portion: 45%)

	31 December 2021 RMB million	30 June 2022 RMB million		31 December 2021 RMB million	30 June 2022 RMB million
Bank balances and cash	250	506	Bank loans		
Concession intangible assets	3,051	2,897	— USD	882	925
Property and equipment	276	253	— HKD	76	79
Other assets	92	107	— RMB	394	338
			Other loan	11	11
			Other liabilities	685	618
	3,669	3,763		2,048	1,971
			Net assets of GS JV	1,621	1,792

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

	31 December 2021 RMB million	30 June 2022 RMB million		31 December 2021 RMB million	30 June 2022 RMB million
Bank balances and cash	85	152	Bank loans	2,143	2,088
Concession intangible assets	5,288	5,208	Balances with a JV partner	514	529
Property and equipment	163	152	Other liabilities	442	442
Balances with a JV	514	529			
Other assets	16	27			
	6,066	6,068		3,099	3,059
			Net assets of GZ West JV	2,967	3,009

## Financial Review

### Xintang JV (The Group's shared portion: 15%)

	31 December 2021 RMB million	30 June 2022 RMB million		31 December 2021 RMB million	30 June 2022 RMB million
Bank balances and cash	33	46	Shareholder's loan	263	210
Project Land cost	805	868	Shareholder's loan interest payable	1	10
Other assets	16	17	Bank loan	7	93
			Contract liabilities	160	203
			Other liabilities	40	36
	854	931		471	552
Net assets of Xintang JV				383	379

	31 December 2021 RMB million	30 June 2022 RMB million		31 December 2021 RMB million	30 June 2022 RMB million
			<b>Total liabilities</b>	7,711	8,128
			Equity attributable to owners of the Company	5,056	4,812
			Non-controlling interests	22	25
Total Assets	12,789	12,965	<b>Total Shareholder's Equity and Liabilities</b>	12,789	12,965
<b>Total net assets</b>				5,078	4,837

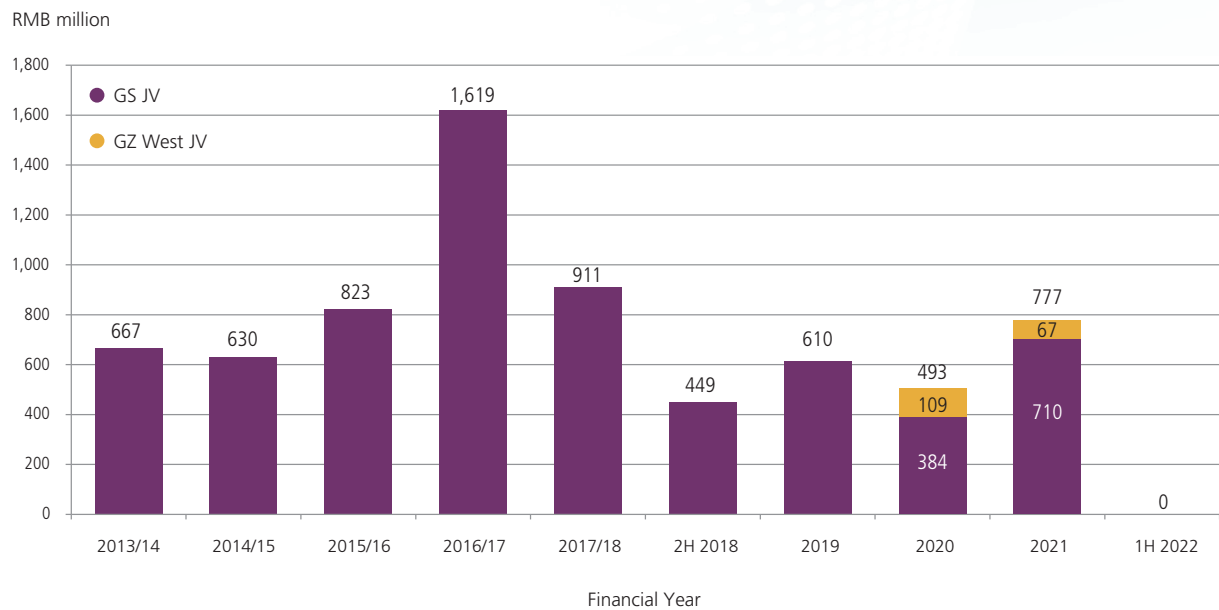
	31 December 2021 RMB million	30 June 2022 RMB million
Total liabilities	2,093	2,547
Net debt <sup>Note</sup>	33	96
Total assets	7,172	7,384
Equity attributable to owners of the Company	5,056	4,812
Debt to asset ratio (Total liabilities/Total assets)	29%	34%
Gearing ratio (Net debt/Equity attributable to owners of the Company)	1%	2%

Note: Net debt is defined as total bank loans less total bank balances and cash and structured deposit.



### Liquidity and Financial Resources

#### Cash Dividends (Net of Tax) from JVs to the Group



In July 2022, the Group has received cash dividends of approximately RMB210 million from the GS JV.

## Financial Review

### Bank and Other Borrowings

On 30 June 2022, the Group had HK Dollar bank loan of equivalent to approximately RMB2,032 million, together with the bank and other borrowings of the JVs shared by the Group amounted to approximately RMB3,537 million (including US Dollar bank loans of equivalent to RMB925 million, HK Dollar bank loan of equivalent to RMB79 million and RMB bank and other loans of RMB2,533 million, but excluding the shareholder's loans) totalling approximately RMB5,569 million (31 December 2021: approximately RMB5,449 million) with the following profile:

- (a) 99.8% (31 December 2021: 99.8%) consisted of bank loans and 0.2% (31 December 2021: 0.2%) of other loan; and
- (b) 45% (31 December 2021: 47%) was denominated in RMB; 17% (31 December 2021: 16%) was denominated in US Dollar and 38% (31 December 2021: 37%) was denominated in HK Dollar.

### Debt Maturity Profile

As at 30 June 2022, whereas the maturity profile of the bank and other borrowings (excluding shareholder's loans) at corporate level and the Group's share of JVs were shown below, together with the corresponding comparatives as at 31 December 2021:

#### Corporate Level

	31 December 2021		30 June 2022	
	RMB million	%	RMB million	%
Repayable within 1 year	882	46%	931	46%
Repayable between 1 and 5 years	1,054	54%	1,101	54%
	1,936	100%	2,032	100%

#### The Group's share of JVs

	31 December 2021		30 June 2022	
	RMB million	%	RMB million	%
Repayable within 1 year	220	6%	308	9%
Repayable between 1 and 5 years	2,541	72%	2,553	72%
Repayable beyond 5 years	752	22%	676	19%
	3,513	100%	3,537	100%

## Financial Review

### Interest Rate and Exchange Rate Exposure

The Group closely monitors its exposure to interest rates and foreign currency exchange rates. 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, interest rate and exchange rate movements, with a view to minimising its funding costs and enhancing return on its financial assets. The reasonable and efficient use of temporary idle funds will enhance the overall capital gain of the Group, which is consistent with the core objectives of the Group to ensure capital safety and liquidity, for example, the impact of risk factors on the expected rate of return of the structured deposit with guaranteed principal is low, but the Group could get a higher return as compared with fixed term deposits in commercial banks in the PRC. As at 30 June 2022, 99% of the Group's bank balances and cash (including structured deposit) were denominated in RMB and the remaining 1% were denominated in HK Dollar. The overall treasury yield on bank deposits (including structured deposit) of the Group was 3.36% during the period under review whereas 2.92% during the corresponding period of 2021.

### Guarantee

As at 30 June 2022, the available banking facilities of a wholly-owned subsidiary of the Company amounting to approximately RMB3,179 million (31 December 2021: approximately RMB3,737 million) were guaranteed by the Company. The Company is able to control the utilisation of the facilities.

During the period under review, a non-wholly-owned subsidiary of the Company has provided a corporate guarantee to a bank to secure a banking facility granted to a joint venture amounting to approximately RMB225 million. At 30 June 2022, the amount utilised by the joint venture was approximately RMB93 million. In the opinion of the Directors, the fair value of the financial guarantee is insignificant.

### Contingent Liability

The Group had no material contingent liability as at 30 June 2022.

### Material Acquisition or Disposal

On 7 March 2022 the Company as the potential purchaser entered into a memorandum of understanding (the “MOU”) with Shenzhen Expressway as the potential vendor (the “Potential Vendor”) (the Company and the Potential Vendor, collectively the “Parties”), an intermediate controlling shareholder of the Company, in relation to a possible acquisition of 51% equity interests in Shenzhen Guangshen Coastal Expressway Investment Company Limited\* (深圳市廣深沿江高速公路投資有限公司) (the “Coastal Company”) from the Potential Vendor (the “Possible Transaction”).

The Possible Transaction is subject to further negotiation and execution of a formal and legally binding sale and purchase agreement between the Parties. The MOU and all obligations thereunder shall immediately and absolutely be terminated, released and discharged if no binding formal agreement is executed by 31 December 2022 (or such later date as agreed between the Parties).

The MOU does not create legally binding obligations on the Parties in relation to the Possible Transaction, save for certain provisions relating to confidentiality, termination, costs and governing law.

The Coastal Company is a company incorporated in the PRC which is wholly owned by the Potential Vendor. Its principal business is the investment, construction and operation of Coastal Expressway (Shenzhen Section).

As at the date of this interim report, no formal sale and purchase agreement has been entered into in respect of the Possible Transaction, and negotiation thereof is still in progress. The Possible Transaction, if materialised, would give rise to a notifiable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules respectively.

Further announcement(s) will be made by the Company in the event that a formal sale and purchase agreement in respect of the Possible Transaction is entered into.

Details of possible acquisition of 51% equity interest in Shenzhen Guangshen Coastal Expressway Investment Company Limited from the controlling shareholder were set out in the announcement of the Company dated on 7 March 2022.

Save as disclosed above, the Company’s subsidiaries and associated companies did not make any material acquisitions or disposals during the six months ended 30 June 2022.

# Interim Dividend and Closure of Register

## Interim Dividend

On 4 August 2022, the Board declared an interim dividend of RMB5.75 cents per share (equivalent to HK6.67299 cents per share) in respect of the financial year ending 31 December 2022 to be paid on Friday, 21 October 2022 to the Shareholders registered as at 4:30 p.m. on Monday, 5 September 2022. This represents a payout ratio of 100% of the Group's profit attributable to owners of the Company for the six months period ended 30 June 2022. The interim dividend will be payable in cash in RMB, HK Dollars, or a combination of these currencies, at the exchange rate of RMB1:HK\$1.16052 as published by The People's Bank of China on 4 August 2022 and Shareholders have been given the option of electing to receive the interim dividend in either RMB, 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 Friday, 23 September 2022. **If no dividend election is made by a shareholder, such shareholder will receive the interim dividend in HK Dollars, unless receipt of dividend in RMB has been previously elected.**

## Closure of Register

To ascertain the Shareholders' entitlement to the interim dividend, the register of members of the Company will be closed for one day on Monday, 5 September 2022. No transfer of shares of the Company will be effected on the aforementioned book-close date. To qualify for the interim dividend, all transfers of share ownership, accompanied by the 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, 2 September 2022.

## Other Information

### Review of Interim Results

The Audit Committee 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 interim results for the six months ended 30 June 2022.

### Share Options

- (A) A share option scheme was approved by the shareholders of the Company effective on 22 October 2013 (the "Share Option Scheme"). The Share Option Scheme will expire on 21 October 2023, but any options then outstanding will continue to be exercisable.
- (B) No option under the Share Option Scheme was granted, vested, exercised, lapsed or outstanding since its adoption.

### Share Awards

- (A) The Share Award Scheme was adopted by the Board on 25 January 2007 ("Adoption Date"). Unless terminated earlier by the Board, the Share Award Scheme should be valid and effective for a period of 15 years commencing on the Adoption Date, provided that no new award should be granted on or after the 10th anniversary of the Adoption Date. The Share Award Scheme expired on 24 January 2022.
- (B) There were no awarded shares granted, forfeited, vested, lapsed or outstanding during the period from 1 January 2022 to 24 January 2022 (date of expiry) and accordingly no dividend income was received in respect of shares held upon the trust for the Share Award Scheme.

### Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2022, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of Part XV of the SFO or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Listing Rules are set out as follows:



## Other Information

Long positions in H shares of Shenzhen Expressway, an associated corporation of the Company:

Director	Number of H shares held	Approximate percentage to the issued H shares of Shenzhen Expressway	Nature of interests	Capacity
Wei HU*	200,000	0.0268%	Personal	Beneficial owner

Long positions in ordinary shares of Shenzhen International, an associated corporation of the Company:

Director	Number of ordinary shares held	Approximate percentage to the issued share capital of Shenzhen International	Nature of interests	Capacity
Wei HU*	315	0.00001%	Personal	Beneficial owner

Interests in share options of Shenzhen International, an associated corporation of the Company:

Director	Outstanding share options as at 1 January 2022 <sup>(1)</sup>	Change during the period					Outstanding share options as at 30 June 2022	Nature of interests	Capacity
		Adjustment	Granted	Exercised	Lapsed	Expired			
Wei HU*	1,266,502	-	-	-	-	1,266,502	-	Personal	Beneficial owner

Note:

- (1) The share options under share option scheme were granted on 26 May 2017 and could be exercised during the period from 26 May 2019 to 25 May 2022 pursuant to the grant conditions. On 23 June 2021, Shenzhen International adjusted the exercise price and quantity of the outstanding options. The exercise price was adjusted from HK\$10.223 per share to HK\$9.472 per share.

Save as disclosed above, as at 30 June 2022, none of the Directors or the chief executives of the Company had any other interests or short positions in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

\* For identification purpose only

## Other Information

### Substantial Shareholders' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2022, so far is known to the Directors, the interests or short positions of substantial shareholders of the Company (other than the Directors and the chief executives of the Company disclosed above) in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO, were as follows:

Name	Capacity	Number of shares	Approximate % of total number of issued shares
Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd ("SIICHIC") (深圳投控國際資本控股基建有限公司) (i)	Beneficial owner	2,213,449,666 (L)	71.83
Shenzhen Expressway Company Limited (now known as Shenzhen Expressway Corporation Limited) ("Shenzhen Expressway") (深圳高速公路股份有限公司 (現稱深圳高速公路集團股份有限公司)) (i)	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen International Holdings Limited ("Shenzhen International") (深圳國際控股有限公司) (i)	Interests of controlled corporation	2,213,449,666 (L)	71.83
Shenzhen Investment Holdings Co., Ltd ("SIHC") (深圳市投資控股有限公司) (i)	Interests of controlled corporation	2,213,449,666 (L)	71.83
Golden Baycrest (BVI) Limited (ii)	Beneficial owner	305,087,338 (L)	9.90
China Vanke Co., Limited (ii)	Interests of controlled corporation	305,087,338 (L)	9.90
CMF Global Quantitative Multi-Asset SPC — CMF Global Quantitative Stable SP (iii)	Trustee	291,207,411 (L)	9.45
China Taiping Life Insurance (Hong Kong) Company Limited (iii)	Beneficiary of a trust (other than a discretionary interest)	291,207,411 (L)	9.45
China Taiping Insurance Holdings Company Limited (iii)	Interests of controlled corporation	291,207,411 (L)	9.45

L: Long Position

## Other Information

Notes:

- (i) The 2,213,449,666 Shares were held by SIICHIC, an indirect wholly-owned subsidiary of Shenzhen Expressway which in turn was a subsidiary of Shenzhen International. Shenzhen International was indirectly owned as to 43.49% by SIHC. The interests of SIICHIC, Shenzhen Expressway, Shenzhen International and SIHC in the 2,213,449,666 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.
- (ii) The 305,087,338 Shares were held by Golden Baycrest (BVI) Limited, an indirect wholly-owned subsidiary of China Vanke Co., Limited. The interests of Golden Baycrest (BVI) Limited and China Vanke Co., Limited in the 305,087,338 Shares represented the same block of Shares and were deemed under the SFO to have same interests with each other.
- (iii) China Taiping Life Insurance (Hong Kong) Company Limited is a direct wholly-owned subsidiary of China Taiping Insurance Holdings Company Limited which in turn is directly owned as to 50.71% by China Taiping Insurance Group (HK) Company Limited, 2.41% by Taiping Golden Win Investment Limited, 4.68% by Easiwell Limited and 1.84% by Manhold Limited. Taiping Golden Win Investment Limited, Easiwell Limited and Manhold Limited are wholly-owned by China Taiping Insurance Group (HK) Company Limited which in turn is a direct wholly-owned subsidiary of China Taiping Insurance Group Ltd. The interests of China Taiping Life Insurance (Hong Kong) Company Limited, China Taiping Insurance Holdings Company Limited and CMF Global Quantitative Multi-Asset SPC in the 291,207,411 Shares represented the same block of Shares.

Save as disclosed above, as at 30 June 2022, the Company had not been notified of any other interests or short positions representing 5% or more of the total number of issued shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

## Employees and Remuneration Policies

The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. In addition, discretionary bonuses are granted to employees based on their individual performance as well as the Group's business performance. It also provides medical insurance coverage to all staff members and personal accident insurance to senior staff members. As at 30 June 2022, the Group (excluding JV companies) had 60 employees.

Besides offering competitive remuneration packages, the Group is committed to promoting family friendly employment policies and practices. The Group also invests in human capital development by providing relevant training programs to enhance employee productivity.

The Group's training programs are designed to support its employees' continuous learning and development and fill skill gaps identified during performance appraisals. Its overall training objectives are to enhance the personal productivity of its employees and to identify their career development plan in order to prepare their future roles and enable them to make greater contributions to the success of the Group's businesses. Besides formal training programs, the Group also provides comprehensive and relevant training and self-learning opportunities to employees such as on-the-job training, educational sponsorships and examination leave.

## Other Information

### 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 six months ended 30 June 2022.

### 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 period under review, the Chairman of the Board was unable to attend the annual general meeting of the Company held on 29 April 2022 (the "Meeting"). Mr. Yu Lung CHING (an independent non-executive director, the chairman of audit committee and a member of remuneration committee and nomination committee of the Company) was elected to take the chair of the Meeting in accordance with the articles of association of the Company. The auditor and almost all the other directors of the Company had attended the Meeting, in person or by electronic means. Save as aforesaid, the Company complied with all the code provisions as set out in the CG Code.

### Model Code for Securities Transactions

The Company has adopted the Model Code as its model code for securities transactions by the Directors' and 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 period under review.

### Change in Information of Director

Mr. Brian David Man Bun LI, an Independent Non-executive Director, retired as a member of the Chief Executive's Council of Advisers on Innovation & Strategic Development of the Government of the HKSAR, with effect from 1 July 2022. Mr. LI was appointed as the chairman of the audit committee of Guangdong Investment Limited (listed on the Stock Exchange, Stock Code: 270) with effect from 12 July 2022.

Save as disclosed above, upon specific enquiry made by the Company and following confirmations from Directors, there is no change in the information of the Directors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the Company's last published annual report.

## Other Information

### The Sale and Purchase of Shares of the Company

On 10 August 2021, Shenzhen Investment International Capital Holdings Co., Limited. (the “Vendor”), a wholly-owned subsidiary of SIHC, entered into a sale and purchase agreement (the “Agreement”) with Mei Wah Industrial (Hong Kong) Limited (the “Purchaser”), a wholly-owned subsidiary of Shenzhen Expressway. Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase all the issued shares of Shenzhen Investment International Capital Holdings Infrastructure Co., Ltd. (the “Target Company”) at a total consideration of HK\$2,450,034,805.18, with the Purchaser further conditionally agreeing to finance the repayment of the loans owing by the Target Company to the Vendor in the aggregate principal amount of approximately USD700,000,000 and several existing bank loans owing by the Target Company to certain banks, in the aggregate principal amount of approximately HK\$2,429,495,000 (the “Transaction”).

On 10 December 2021, the relevant resolution approving the Agreement and the transactions contemplated thereunder was approved by the independent shareholders of Shenzhen Expressway at its extraordinary general meeting and the independent shareholders of Shenzhen International at its special general meeting.

On 11 January 2022, completion of the sale and purchase of all the issued shares in the Target Company under the Agreement had taken place. Upon completion of the Transaction, the Purchaser, Shenzhen Expressway and Shenzhen International become the intermediate controlling shareholders of the Company, with the Purchaser (through its 100% shareholding interest in the Target Company) indirectly holding approximately 71.83% of the total issued shares of the Company. Since the Purchaser is a wholly-owned subsidiary of Shenzhen Expressway, being a subsidiary of Shenzhen International, which in turn is controlled by SIHC, SIHC remains the ultimate controlling shareholder of the Company upon completion of the Transaction.

Details of completion of the sale and purchase of shares of the Target Company by controlling shareholder were set out in the announcements of the Company dated 10 August 2021, 10 December 2021 and 11 January 2022.

On behalf of the Board

**Wei HU\***

*Chairman*

Hong Kong, 4 August 2022

*\* For identification purpose only*



# Report on Review of Condensed Consolidated Financial Statements



德勤

TO THE BOARD OF DIRECTORS OF 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)*

## Introduction

We have reviewed the condensed consolidated financial statements of Shenzhen Investment Holdings Bay Area Development Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 33 to 49, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
4 August 2022



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

		Six months ended 30 June	
		2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
	NOTES		
Other income	4	46,808	33,661
Other gain and loss		18,306	(6,435)
Depreciation		(345)	(1,843)
General and administrative expenses		(20,115)	(21,383)
Finance costs	5	(9,036)	(14,116)
Share of results of joint ventures	6	307,584	208,727
Profit before tax		343,202	198,611
Income tax expense	7	(52,451)	(18,750)
Profit for the period		290,751	179,861
Other comprehensive income (expense) for the period			
Item that will not be reclassified to profit or loss:			
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of tax		(10,350)	(540)
Item that may be reclassified subsequently to profit or loss:			
Exchange gain (loss) arising on translation of foreign operations		12,175	(88,349)
		1,825	(88,889)
Total comprehensive income for the period		292,576	90,972
Profit for the period attributable to:			
Owners of the Company		286,582	177,149
Non-controlling interests		4,169	2,712
		290,751	179,861
Total comprehensive income for the period attributable to:			
Owners of the Company		288,407	88,260
Non-controlling interests		4,169	2,712
		292,576	90,972
		RMB cents	RMB cents
Earnings per share	9		
Basic		9.30	5.75

# Condensed Consolidated Statement of Financial Position

As at 30 June 2022

	NOTES	31 December 2021 (Audited) RMB'000	30 June 2022 (Unaudited) RMB'000
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Interests in joint ventures	10	4,971,183	5,179,910
Equity instrument at fair value through other comprehensive income		20,100	19,500
Property and equipment		1,768	1,788
Right-of-use asset	17(b)	4,999	16,995
		4,998,050	5,218,193
<b>Current Assets</b>			
Deposits and prepayments		735	1,582
Interest and other receivables		5,621	7,124
Amount due from a joint venture	11	263,636	220,141
Structured deposit		351,381	260,526
Bank balances and cash		1,552,319	1,676,337
		2,173,692	2,165,710
<b>Total Assets</b>		7,171,742	7,383,903
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	12	270,603	270,603
Share premium and reserves		4,785,775	4,541,540
Equity attributable to owners of the Company		5,056,378	4,812,143
Non-controlling interests		22,107	24,819
<b>Total Equity</b>		5,078,485	4,836,962
<b>Non-current Liabilities</b>			
Lease liability		3,335	11,444
Bank loans	13	1,053,922	1,101,623
Deferred tax liabilities	14	130,746	144,152
		1,188,003	1,257,219
<b>Current Liabilities</b>			
Payables and accruals		10,857	9,927
Lease liability		1,674	6,090
Bank loans	13	882,353	930,828
Dividend payables		—	338,983
Tax payables		10,370	3,894
		905,254	1,289,722
<b>Total Liabilities</b>		2,093,257	2,546,941
<b>Total Equity and Liabilities</b>		7,171,742	7,383,903
<b>Cash and Cash Equivalents</b>		1,552,319	1,676,337

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company								
	Share capital	Share premium	The People's Republic of China ("PRC") statutory reserves	Investment revaluation reserve	Translation reserve	Retained profits	Sub-total	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2021 (Audited)	270,603	2,337,689	108,590	23,183	(298,094)	2,536,145	4,978,116	23,586	5,001,702
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of tax	-	-	-	(10,350)	-	-	(10,350)	-	(10,350)
Exchange gain arising on translation of foreign operations	-	-	-	-	12,175	-	12,175	-	12,175
Profit for the period	-	-	-	-	-	286,582	286,582	4,169	290,751
Total comprehensive (expense) income for the period	-	-	-	(10,350)	12,175	286,582	288,407	4,169	292,576
Dividends recognised as distribution during the period (Note 8)	-	-	-	-	-	(281,511)	(281,511)	-	(281,511)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(3,772)	(3,772)
As at 30 June 2021 (Unaudited)	270,603	2,337,689	108,590	12,833	(285,919)	2,541,216	4,985,012	23,983	5,008,995
As at 1 January 2022 (Audited)	270,603	2,337,689	109,090	13,373	(251,224)	2,576,847	5,056,378	22,107	5,078,485
Fair value loss on investment in equity instrument at fair value through other comprehensive income, net of tax	-	-	-	(540)	-	-	(540)	-	(540)
Exchange loss arising on translation of foreign operations	-	-	-	-	(88,349)	-	(88,349)	-	(88,349)
Profit for the period	-	-	-	-	-	177,149	177,149	2,712	179,861
Total comprehensive (expense) income for the period	-	-	-	(540)	(88,349)	177,149	88,260	2,712	90,972
Dividends recognised as distribution during the period (Note 8)	-	-	-	-	-	(332,495)	(332,495)	-	(332,495)
As at 30 June 2022 (Unaudited)	270,603	2,337,689	109,090	12,833	(339,573)	2,421,501	4,812,143	24,819	4,836,962

For the purpose of presenting the condensed consolidated statement of changes in equity of the Group in Renminbi ("RMB") (the presentation currency of the Group), the equity transactions and accumulated earnings denominated in Hong Kong Dollar ("HKD") are translated at the exchange rates at the transaction dates. Before the change in functional currency of the Company from HKD to RMB during the year ended 30 June 2009, the exchange differences recognised in translation reserve represented the difference between the equity transactions and accumulated earnings translated at the exchange rates at the transaction dates and the assets and liabilities translated at the closing rates at the end of each reporting period. Subsequent to the change in functional currency of the Company, the exchange differences recognised in translation reserve represented translation of its foreign operations.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	(169,369)	<b>(31,012)</b>
<b>INVESTING ACTIVITIES</b>		
Placement of structured deposit	(695,000)	<b>(259,000)</b>
Withdrawal of structured deposit	1,100,000	<b>350,000</b>
Withdrawal of time deposit with original maturity over three months	240,000	—
Repayment from a joint venture	142,000	<b>52,920</b>
Advance to a joint venture	(526,000)	—
Purchase of property and equipment	(74)	<b>(698)</b>
Dividends received (net of PRC withholding tax)	313,560	—
Interest received	18,276	<b>17,456</b>
<b>NET CASH FROM INVESTING ACTIVITIES</b>	592,762	<b>160,678</b>
<b>FINANCING ACTIVITIES</b>		
New bank loans raised	1,327,359	<b>461,144</b>
Bank loans repaid	(1,000,838)	<b>(452,605)</b>
Interest paid on bank loans	(8,706)	<b>(14,001)</b>
Repayment of lease liability	—	<b>(690)</b>
Interest paid on lease liability	—	<b>(76)</b>
Dividends paid to:		
— owners of the Company	(303,019)	—
— non-controlling interests of a subsidiary	(3,772)	—
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	11,024	<b>(6,228)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	434,417	<b>123,438</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	519,042	<b>1,552,319</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES</b>	2,027	<b>580</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	955,486	<b>1,676,337</b>

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 placement.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The Company's functional currency and presentation currency are RMB.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2022 for the preparation of the Group's condensed consolidated financial statements:

Amendments to IFRS 3	Reference to the Conceptual Framework
Amendment to IFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
Amendments to IAS 16	Property, Plant and Equipment — Proceeds before Intended Use
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2018–2020

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 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 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 expressway 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 reporting 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



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 3. SEGMENT INFORMATION (Continued)

Information regarding the above segments is reported below.

### Segment revenue and results

	Six months ended 30 June									
	2021					2022				
	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
<b>Toll expressway project</b>										
GS Superhighway	611,697	562,317	(226,488)	(121,601)	214,228	491,352	457,350	(195,670)	(86,199)	175,481
GZ West Superhighway	319,468	292,460	(122,399)	(82,388)	87,673	256,392	217,481	(91,446)	(65,850)	60,185
	931,165	854,777	(348,887)	(203,989)	301,901	747,744	674,831	(287,116)	(152,049)	235,666
<b>Land development and utilisation project</b>										
Xintang Interchange	–	(3,492)	(1)	(18,422)	(21,915)	11,901	2,684	(76)	(6,707)	(4,099)
Total	931,165	851,285	(348,888)	(222,411)	279,986	759,645	677,515	(287,192)	(158,756)	231,567
Corporate interest income from bank deposits					16,584					19,981
Corporate investment income from structured deposit					1,495					3,598
Corporate interest income from loans made by the Group to a joint venture					27,043					9,209
Other income and other gain					13,742					873
Corporate general and administrative expenses and depreciation					(20,460)					(23,226)
Corporate finance costs					(9,036)					(14,116)
Corporate income tax expense					(32,938)					(6,060)
Net exchange gain (loss) (net of related income tax) (note)					14,335					(41,965)
Profit for the period					290,751					179,861
Profit for the period attributable to non-controlling interests					(4,169)					(2,712)
Profit for the period attributable to owners of the Company					286,582					177,149

Note: Net exchange gain (loss) (net of related income tax) is composed of the Group's share of the net exchange loss (net of related income tax) of a joint venture of RMB35,530,000 (six months ended 30 June 2021: net exchange gain (net of related income tax) of RMB8,085,000) and the net exchange loss of the Group of RMB6,435,000 (six months ended 30 June 2021: net exchange gain of RMB6,250,000).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 3. SEGMENT INFORMATION (Continued)

### Segment revenue and results (Continued)

The segment revenue represents the Group's share of the joint ventures' toll revenue received and receivable (net of valued-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 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 (i) the 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 condensed consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Total segment results	279,986	231,567
Add:		
Net exchange gain (loss) (net of related income tax)	8,085	(35,530)
Withholding tax attributed to the dividend received from and the undistributed earnings of the joint ventures	19,513	12,690
Share of results of joint ventures as presented in condensed consolidated statement of profit or loss and other comprehensive income	307,584	208,727

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 4. OTHER INCOME

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Interest income from:		
Bank deposits	16,584	19,981
Amount due from a joint venture	27,043	9,209
Investment income from structured deposit	1,495	3,598
Dividend income from equity instrument at fair value through other comprehensive income	604	—
Others	1,082	873
	46,808	33,661

## 5. FINANCE COSTS

The amounts represent the interest on bank loans, bank charges and interest on lease liability for both periods.

## 6. SHARE OF RESULTS OF JOINT VENTURES

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2022 (Unaudited) 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	353,368	246,326
Amortisation of additional cost of investments in joint ventures	(45,784)	(37,599)
Share of imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(28,739)	(30,542)
Imputed interest income recognised by the Group on interest-free registered capital contributions made by the Group	28,739	30,542
	307,584	208,727

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
The tax charge comprises:		
PRC Enterprise Income Tax ("EIT")		
The Group	9,831	5,284
Refund of EIT of a subsidiary recognised in prior year	(5,783)	—
Deferred tax	48,403	13,466
	52,451	18,750

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 six months ended 30 June 2021 included an amount of RMB8,369,000 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 (six months ended 30 June 2022: nil).

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 8. DIVIDENDS

Six months ended 30 June		
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Dividends paid and recognised as a distribution during the period:		
Final dividend for the year ended 31 December 2021 of RMB10.45 cents (equivalent to HK12.880879 cents) (six months ended 30 June 2021: for the year ended 31 December 2020 paid of RMB9.1 cents (equivalent to HK10.936835 cents)) per share	281,511	332,495

On 4 August 2022, the board of directors of the Company have declared that an interim dividend in respect of the year ending 31 December 2022 of RMB5.75 cents (equivalent to HK6.67299 cents) per share amounting to approximately RMB177,197,000 (approximately HK\$205,641,000) shall be paid to the shareholders of the Company whose names appear on the register of members on 5 September 2022.

## 9. 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 30 June		
	2021 (Unaudited) RMB'000	2022 (Unaudited) RMB'000
Earnings for the purposes of basic earnings per share	286,582	177,149

Six months ended 30 June		
	2021 Number of shares	2022 Number of shares
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 both periods.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 10. INTERESTS IN JOINT VENTURES

	31 December 2021 (Audited) RMB'000	30 June 2022 (Unaudited) RMB'000
Unlisted investments:		
At cost		
Cost of investments in joint ventures	2,476,789	<b>2,476,789</b>
Additional cost of investments	2,520,218	<b>2,520,218</b>
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 (net of dividend received)	1,411,900	<b>1,658,226</b>
Less: Unrealised profit on disposal of land	(13,044)	<b>(13,044)</b>
Less: Share of accumulated imputed interest expenses incurred by a joint venture on interest-free registered capital contributions made by the Group	(598,959)	<b>(629,501)</b>
Less: Accumulated amortisation of additional cost of investments	(1,853,391)	<b>(1,890,990)</b>
	3,943,513	<b>4,121,698</b>
At amortised cost		
Registered capital contribution, at nominal amount	2,449,500	<b>2,449,500</b>
Fair value adjustment on initial recognition	(2,020,789)	<b>(2,020,789)</b>
Accumulated imputed interest income recognised by the Group	598,959	<b>629,501</b>
	1,027,670	<b>1,058,212</b>
	4,971,183	<b>5,179,910</b>

## 11. AMOUNT DUE FROM A JOINT VENTURE

The amount due from Guangzhou Zhentong Development Company Limited ("Xintang JV") is unsecured, interest bearing at 8% per annum and repayable within one year.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 12. SHARE CAPITAL

	Number of shares	Nominal amount HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
As at 1 January 2021, 30 June 2021, 31 December 2021, 1 January 2022 and 30 June 2022	10,000,000,000	1,000,000
	Number of shares	Nominal amount Equivalent to HK\$'000 RMB'000
Issued and fully paid:		
As at 1 January 2021, 30 June 2021, 31 December 2021, 1 January 2022 and 30 June 2022	3,081,690,283	308,169 270,603

### Share Option Scheme

There were no share options granted, forfeited, vested, lapsed or outstanding in both periods presented.

### Share Award Scheme

There were no awarded shares granted, forfeited, vested, lapsed or outstanding in both periods presented.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 13. BANK LOANS

	31 December 2021 (Audited) RMB'000	30 June 2022 (Unaudited) RMB'000
The borrowings are repayable as follows (Note):		
On demand or within one year	882,353	930,828
Within a period of more than one year but not exceeding two years	65,360	486,764
Within a period of more than two years but not exceeding five years	988,562	614,859
	1,936,275	2,032,451
Less: Amounts due for settlement within one year (shown under current liabilities)	(882,353)	(930,828)
Amounts due for settlement after one year	1,053,922	1,101,623

Note: As at 31 December 2021 and 30 June 2022, the bank loans are guaranteed by the Company and based on scheduled repayment dates set out in the respective loan agreements.

As at 30 June 2022, variable rate HKD denominated bank loans carried interests ranging from Hong Kong Interbank Offered Rate ("HIBOR") plus 0.95% to HIBOR plus 1.5% per annum (31 December 2021: HIBOR plus 0.88% to HIBOR plus 1.5% per annum).

## 14. DEFERRED TAX LIABILITIES

The amounts represent the deferred tax liabilities associated with fair value change on investment in equity instrument at fair value through other comprehensive income, the undistributed earnings of the joint ventures and a PRC subsidiary and dividends from a joint venture reinvested.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets	31 December 2021	30 June 2022	Fair value hierarchy	Valuation technique and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Equity instrument at fair value through other comprehensive income	Unlisted equity investment: RMB20,100,000	Unlisted equity investment: RMB19,500,000	Level 3	Market Approach	Price-to-earnings multiples of several comparable companies with average at 8.40 (31 December 2021: 7.78)  Enterprise value-to-earnings before interest, taxes, depreciation and amortisation multiples of several comparable companies with average at 5.44 (31 December 2021: 6.33)  Risk adjustment for a discount on lack of marketability at 27% (31 December 2021: 27%)	The higher the multiples, the higher the fair value  The higher the multiples, the higher the fair value  The higher the discount, the lower the fair value
Structured deposit	RMB351,381,000	RMB260,526,000	Level 3	Discounted cash flow	Potential return rate of 1.60% to 4.42% (31 December 2021: 1.35% to 4.00%) per annum	The higher the potential return rate, the lower the fair value

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS (Continued)

### Reconciliation of Level 3 fair value measurements

	Equity instrument at FVTOCI RMB'000	Structured deposit RMB'000
At 1 January 2021 (Audited)	31,000	801,503
Total gains (losses):		
— in profit or loss	—	1,495
— in other comprehensive income	(10,350)	—
Placement	—	695,000
Withdrawal	—	(1,100,000)
Interest received	—	(1,503)
Deferred tax	(1,150)	—
At 30 June 2021 (Unaudited)	19,500	396,495
At 1 January 2022 (Audited)	20,100	351,381
Total gains (losses):		
— in profit or loss	—	3,598
— in other comprehensive income	(540)	—
Placement	—	259,000
Withdrawal	—	(350,000)
Interest received	—	(3,453)
Deferred tax	(60)	—
At 30 June 2022 (Unaudited)	19,500	260,526

### Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of the financial assets and financial liabilities recognised at amortised cost in the condensed consolidated financial statements approximate their fair values.

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

## 16. RELATED PARTY TRANSACTIONS

Other than as disclosed elsewhere in these condensed consolidated financial statements, the Group entered into the following related party transactions:

- (a) During the six months ended 30 June 2022, the Group entitled to receive interest income from a joint venture of RMB9,209,000 (six months ended 30 June 2021: RMB27,043,000).
- (b) During the six months ended 30 June 2022, the Group through an indirect subsidiary entered into a new lease agreement for the use of leasehold property with an intermediate holding company with a monthly rental of RMB560,000 for a tenure of 3 years. The lease agreement demands lease payments in every December during the lease period. As at 30 June 2022, the lease liability payable to an intermediate holding company amounted to RMB17,534,000.

## 17. NON-CASH TRANSACTIONS

- (a) For the six months ended 30 June 2021, the Xintang JV increased its registered capital from RMB10,000,000 to RMB3,040,000,000 through a debt-for-equity swap base on the existing shareholder's loans, the registered capital contributed by the Group (through Shenwan Bay Area Infrastructure (Shenzhen) Company Limited (深灣基建(深圳)有限公司), a non-wholly owned subsidiary of the Group) increased from RMB1,500,000 to RMB456,000,000 based on its shareholding percentage, and the shareholder's loans decreased from RMB747,420,000 to RMB292,920,000.
- (b) During the six months ended as at 30 June 2022, the Group early terminated a lease agreement for the use of asset and recognised an elimination of right-of-use and lease liability of RMB4,264,000 and RMB4,319,000 respectively (six months ended 30 June 2021: nil) at the early termination. After the early termination, the Group entered into a leasing arrangement for the use of asset and recognised an addition of right-of-use asset and lease liability of RMB17,480,000 and RMB17,480,000 respectively (six months ended 30 June 2021: nil) at the inception of the lease.



## 5-Year Financial Summary

The financial summary of the Group for the six months ended 31 December 2018 to the six months ended 30 June 2022.

### Consolidated Results (RMB million)

	2H 2018	2019	2020	2021	1H 2022
Share of results of joint ventures	340	701	295	657	209
Corporate results	(32)	(80)	(10)	(39)	(29)
Gain on partial disposal of a joint venture (net of tax)	–	–	409	–	–
Profit for the year/period	308	621	694	618	180
Profit for the year/period attributable to:					
<b>Owners of the Company</b>	<b>304</b>	<b>612</b>	<b>689</b>	<b>609</b>	<b>177</b>
Non-controlling interests	4	9	5	9	3
<b>Profit for the year/period</b>	<b>308</b>	<b>621</b>	<b>694</b>	<b>618</b>	<b>180</b>

### Segment Revenue and Results (RMB million)

	2H 2018	2019	2020	2021	1H 2022
<b>Revenue</b>	<b>1,120</b>	<b>2,144</b>	<b>1,573</b>	<b>1,974</b>	<b>759</b>
GS Superhighway	743	1,409	1,041	1,289	492
GZ West Superhighway	377	735	532	666	256
Xintang Residential Project	–	–	–	19	11
<b>EBITDA</b>	<b>983</b>	<b>1,875</b>	<b>1,277</b>	<b>1,749</b>	<b>677</b>
GS Superhighway <sup>(1)</sup>	663	1,248	860	1,194	457
GZ West Superhighway	320	627	418	560	217
Xintang Residential Project	–	0	(1)	(5)	3
<b>Depreciation and amortisation</b>	<b>(358)</b>	<b>(690)</b>	<b>(693)</b>	<b>(706)</b>	<b>(286)</b>
GS Superhighway	(232)	(445)	(450)	(469)	(195)
GZ West Superhighway	(126)	(245)	(243)	(237)	(91)
Xintang Residential Project	–	–	–	–	–
<b>Interest and tax</b>	<b>(270)</b>	<b>(511)</b>	<b>(370)</b>	<b>(444)</b>	<b>(159)</b>
GS Superhighway	(164)	(316)	(189)	(259)	(86)
GZ West Superhighway	(106)	(193)	(140)	(160)	(66)
Xintang Residential Project	–	(2)	(41)	(25)	(7)
<b>Segment results<sup>(2)</sup></b>	<b>355</b>	<b>674</b>	<b>214</b>	<b>599</b>	<b>232</b>
GS Superhighway	267	487	221	466	176
GZ West Superhighway	88	189	35	163	60
Xintang Residential Project	–	(2)	(42)	(30)	(4)
<b>Segment corporate results<sup>(3)</sup></b>	<b>(10)</b>	<b>(31)</b>	<b>(2)</b>	<b>(6)</b>	<b>(10)</b>
Gain on partial disposal of a joint venture (net of tax)	–	–	409	–	–
Net exchange gain/(loss)	(37)	(22)	73	25	(42)
Profit for the year/period	308	621	694	618	180
Profit for the year/period attributable to:					
<b>Owners of the Company</b>	<b>304</b>	<b>612</b>	<b>689</b>	<b>609</b>	<b>177</b>
Non-controlling interests	4	9	5	9	3
<b>Profit for the year/period</b>	<b>308</b>	<b>621</b>	<b>694</b>	<b>618</b>	<b>180</b>

## 5-Year Financial Summary

### Consolidated Statement of Financial Position (RMB million)

	As at 31 December				As at 30 June 2022
	2018	2019	2020	2021	
Interests in joint ventures	4,798	4,858	4,674	4,971	5,180
Bank balances and cash	140	50	519	1,552	1,676
Structured deposit	–	–	801	351	261
Time deposit with original maturity over three months	–	–	240	–	–
Interest-bearing loans to a joint venture	–	311	350	264	220
Investment/Equity instrument at fair value through other comprehensive income	11	23	31	20	20
Property and equipment	1	2	2	2	2
Other current assets	0	1	2	11	25
<b>Total assets</b>	<b>4,950</b>	<b>5,245</b>	<b>6,619</b>	<b>7,171</b>	<b>7,384</b>
Bank loans	–	281	1,078	1,936	2,032
PRC withholding tax liabilities	70	81	76	131	144
Dividend payable	–	–	306	–	339
Tax payable	–	–	147	10	4
Other current liabilities	11	13	10	16	28
<b>Total liabilities</b>	<b>81</b>	<b>375</b>	<b>1,617</b>	<b>2,093</b>	<b>2,547</b>
Non-controlling interests	30	24	24	22	25
<b>Equity attributable to owners of the Company</b>	<b>4,839</b>	<b>4,846</b>	<b>4,978</b>	<b>5,056</b>	<b>4,812</b>

### Consolidated Statement of Cash Flows (RMB million)

	2H 2018	2019	2020	2021	1H 2022
Net cash used in operating activities	(14)	(39)	(51)	(183)	(31)
Net cash from (used in) investing activities					
– Purchase of structured deposit	–	–	(800)	(1,045)	(259)
– Placement of time deposit with original maturity over three months	–	–	(240)	–	–
– Withdrawal of structured deposit	–	–	–	1,495	350
– Withdrawal of time deposit with original maturity over three months	–	–	–	240	–
– Repayment from a joint venture	–	–	–	172	53
– Advances to a joint venture	–	(309)	(559)	(526)	–
– Capital injection to a joint venture	–	(4)	–	–	–
– Proceeds on partial disposal of a joint venture	–	–	558	–	–
– Cash receipt from the disposal of loans to a joint venture and accrued interest	–	–	533	–	–
– Net dividends received	449	613	495	777	–
– Others	8	2	(6)	110	17
Net cash (used in) from financing activities					
– New bank loans raised	266	546	3,190	2,466	461
– Bank loans repaid	(266)	(265)	(2,318)	(1,575)	(453)
– Dividends paid	(1,001)	(639)	(323)	(879)	–
– Others	(1)	(1)	(16)	(21)	(15)
Net increase (decrease) in cash and cash equivalents	(559)	(96)	463	1,031	123
Cash and cash equivalents at the beginning of year/period	691	140	50	519	1,552
Effect of foreign exchange rate changes	8	6	6	2	1
Cash and cash equivalents at the end of year/period	140	50	519	1,552	1,676
<b>Total bank balances and cash</b>	<b>140</b>	<b>50</b>	<b>519</b>	<b>1,552</b>	<b>1,676</b>

## 5-Year Financial Summary

### Per Share Basis

	2H 2018	2019	2020	2021	1H 2022
Basic earnings per share (RMB cents)	9.9	19.9	22.4	19.8	5.75
Dividend per share (RMB cents)					
– Interim	–	9.8	–	9.3	5.75
– Special interim	–	–	10.0	–	–
– Final	9.9	10.1	9.1	10.45	–
Net asset value per share (RMB)	1.6	1.6	1.6	1.6	1.6
Regular dividend payout ratio <sup>(4)</sup>	100%	100%	100%	100%	100%

### Financial Ratios

	As at 31 December				As at 30 June 2022
	2018	2019	2020	2021	
Return on equity attributable to owners of the Company	12%	13%	14%	12%	7% <sup>(6)</sup>
Debt to asset ratio (Total liabilities/Total assets)	2%	7%	24%	29%	34%
Gearing ratio (Net debt <sup>(5)</sup> /Equity attributable to owners of the Company)	–	5%	–	1%	2%

Notes:

- (1) Excluding exchange differences and related income tax.
- (2) The segment results represent the Group's share of results of joint ventures before exchange difference (net of related income tax) and net of withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture.
- (3) The segment corporate results represent the corporate results before corporate exchange difference and withholding tax attributed to the dividend received from and the undistributed earnings of a joint venture.
- (4) Excluding special dividend.
- (5) Net debt is defined as total bank loans less the total bank balances and cash, and structured deposit.
- (6) Annualised figure.

## Glossary

"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
"2H 2018"	the six months ended 31 December 2018
"2019"	the year ended 31 December 2019
"2020"	the year ended 31 December 2020
"2021"	the year ended 31 December 2021
"1H 2021"	the six months ended 30 June 2021
"1H 2022"	the six months ended 30 June 2022
"Audit Committee"	the audit committee of the Company
"Bay Area"	Guangdong-Hong Kong-Macao Greater Bay Area, a national development strategy of the PRC
"Board"	the board of Directors of the Company
"CG Code"	Corporate Governance Code contained in Appendix 14 to the Listing Rules
"Company"	Shenzhen Investment Holdings Bay Area Development Company Limited (formerly known as Hopewell Highway Infrastructure Limited), a company incorporated in the Cayman Islands with limited liability
"COVID-19 pandemic"	coronavirus disease (COVID-19) pandemic
"Director(s)"	director(s) of the Company
"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)

## Glossary

“Guangdong 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
“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)
“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 an indirectly wholly-owned subsidiary of GPCG
“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 limited liability and an indirectly wholly-owned subsidiary of GPCG
“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
“net toll revenue”	toll revenue after related tax
“Nomination Committee”	the nomination committee of the Company
“Outline Plan”	the Outline Development Plan for Guangdong-Hong Kong-Macao Greater Bay Area



## Glossary

“Parties”	collectively, Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment, and each a “Party”
“PRC”	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
“Remuneration Committee”	the remuneration committee of the Company
“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 Expressway”	Shenzhen Expressway Corporation Limited, a joint stock limited company incorporated in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00548) and the A shares of which are listed on the Shanghai Stock Exchange (Security Code: 600548)
“Shenzhen International”	Shenzhen International Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00152)
“Shenzhen Run Investment”	Shenzhen Run Investment Consulting Co., Ltd.* (深圳市潤投諮詢有限公司), a company established in the PRC with limited liability
“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 controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

## Glossary

“Target Company”	Shenzhen Investment International Capital Holdings Infrastructure 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
“toll revenue”	toll revenue including tax
“Total Upper Limit”	The maximum total amount of contribution (whether by way of registered capital, shareholders’ loans, or in any other nature) by the Parties to Xintang JV shall not exceed RMB6.8 billion, as disclosed in the Company’s announcement dated 10 September 2020
“US”	the United States of America
“USD” or “US Dollar(s)”	United States Dollars, the lawful currency of the United States of America
“Xintang JV”	Guangzhou Zhentong Development Company Limited* (廣州臻通實業發展有限公司), a joint venture established in the PRC for the development of the Project Land, the equity interest of which is currently held as to 15%, 20%, 5% and 60% by Shenwan Infrastructure, Lealu Investment, Leaxin Investment and Shenzhen Run Investment respectively
“YoY”	year-on-year

\* For identification purpose only

# Appendix – Unaudited Condensed Consolidated Financial Information (Prepared under proportionate consolidation method)

## Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 June 2022

(FOR INFORMATION PURPOSE ONLY)

	Six months ended 30 June	
	2021 RMB'000	2022 RMB'000
Revenue	931,165	759,645
Revenue on construction	1,953	6,717
Turnover	933,118	766,362
Other income, other gain and loss (Note i)	143,525	63,622
Construction costs	(1,953)	(6,717)
Provision for resurfacing charges	(9,040)	(10,145)
Operation expenses	(92,035)	(109,377)
General and administrative expenses	(52,180)	(52,491)
Depreciation and amortisation charges	(349,234)	(289,034)
Finance costs (Note ii)	(120,104)	(96,129)
Profit before tax	452,097	266,091
Income tax expense	(161,346)	(86,230)
Profit for the period	290,751	179,861
Profit for the period attributable to:		
Owners of the Company	286,582	177,149
Non-controlling interests	4,169	2,712
	290,751	179,861

Notes:

(i) OTHER INCOME, OTHER GAIN AND LOSS

	Six months ended 30 June	
	2021 RMB'000	2022 RMB'000
Interest income from:		
Bank deposits	24,297	28,702
Loans made by the Group to a joint venture	27,043	9,209
Imputed interest income on interest-free registered capital contributions made by the Group to a joint venture	14,370	15,271
Net exchange gain (loss)	17,030	(53,808)
Rental income	14,763	11,541
Others	46,022	52,707
	143,525	63,622

(ii) FINANCE COSTS

	Six months ended 30 June	
	2021 RMB'000	2022 RMB'000
Interest on:		
Bank loans	79,435	72,232
Loans made by joint venture partners	25,010	7,800
Interest on instalment payment of land premium	710	266
Imputed interest on interest-free registered capital contributions made by a joint venture partner	14,370	15,271
Others	335	486
	119,860	96,055
Other financial expenses	244	74
	120,104	96,129

## Appendix – Unaudited Condensed Consolidated Financial Information (Prepared under proportionate consolidation method)

### Condensed Consolidated Statement of Financial Position

As at 30 June 2022

(FOR INFORMATION PURPOSE ONLY)

	31 December 2021 RMB'000	30 June 2022 RMB'000
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property and equipment	440,730	407,484
Concession intangible assets	8,339,889	8,105,392
Right-of-use assets	6,063	18,605
Balance with a joint venture	513,835	529,106
Equity instrument at fair value through other comprehensive income	20,100	19,500
	9,320,617	9,080,087
<b>Current Assets</b>		
Inventories	803,725	866,870
Deposits and prepayments	16,563	36,109
Interest and other receivables	112,538	121,955
Loans made by the Group to a joint venture	263,636	220,141
Structured deposit	351,381	260,526
Pledged bank balances and deposits of joint ventures	284,002	605,179
Bank balances and cash		
– The Group	1,552,319	1,676,337
– Joint ventures	84,556	98,157
	3,468,720	3,885,274
<b>Total Assets</b>	12,789,337	12,965,361
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share capital	270,603	270,603
Share premium and reserves	4,785,775	4,541,540
Equity attributable to owners of the Company	5,056,378	4,812,143
Non-controlling interests	22,107	24,819
<b>Total Equity</b>	5,078,485	4,836,962
<b>Non-current Liabilities</b>		
Bank and other loans		
– The Group	1,053,922	1,101,623
– Joint ventures	3,292,534	3,228,675
Balance with a joint venture partner	513,785	529,055
Resurfacing obligations	276,056	286,201
Deferred tax liabilities	295,099	297,444
Lease liabilities	3,796	470
Other non-current liabilities	184,954	181,563
	5,620,146	5,625,031
<b>Current Liabilities</b>		
Provision, other payables, accruals and deposits received	631,650	617,374
Lease liabilities	2,297	19,232
Dividend payable	–	338,983
Bank loans		
– The Group	882,353	930,828
– Joint ventures	220,491	307,550
Loans made by joint venture partners	262,920	210,379
Other interest payable	4,878	13,873
Tax liabilities	86,117	65,149
	2,090,706	2,503,368
<b>Total Liabilities</b>	7,710,852	8,128,399
<b>Total Equity and Liabilities</b>	12,789,337	12,965,361

# Corporate Information

## Board of Directors

Mr. Wei HU\* (*Executive Director and Chairman*)  
Mr. Tianliang ZHANG\* (*Executive Director and General Manager*)  
Mr. Jianming WU\* (*Executive Director and Executive General Manager*)  
Mr. Cheng WU\* (*Executive Director and Deputy General Manager*)  
Mr. Ji LIU\* (*Executive Director, Deputy General Manager and secretary to the Board*)  
Mr. Junye CAI\* (*Non-executive Director*)  
Mr. Weiguo ZONG\* (*Non-executive Director*)  
Mr. Brian David Man Bun LI JP (*Independent Non-executive Director*)  
Mr. Yu Lung CHING (*Independent Non-executive Director*)  
Mr. Tony Chung Nin KAN SBS, JP (*Independent Non-executive Director*)  
Mr. Peng XUE\* (*Independent Non-executive Director*)

## Audit Committee

Mr. Yu Lung CHING (*Chairman*)  
Mr. Brian David Man Bun LI JP  
Mr. Tony Chung Nin KAN SBS, JP

## Remuneration Committee

Mr. Brian David Man Bun LI JP (*Chairman*)  
Mr. Yu Lung CHING  
Mr. Tony Chung Nin KAN SBS, JP

## Nomination Committee

Mr. Wei HU\* (*Chairman*)  
Mr. Brian David Man Bun LI JP  
Mr. Yu Lung CHING  
Mr. Tony Chung Nin KAN SBS, JP

## Company Secretary

Ms. Ching Fan KOO

## Auditor

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Registered Public Interest Entity Auditors

## Registered Office

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

## Principal Place of Business

Room 63-02, 63rd Floor  
Hopewell Centre  
183 Queen's Road East  
Wan Chai, Hong Kong  
Tel: (852) 2863 2502  
Fax: (852) 2861 0177

## Listing Information

The Stock Exchange of Hong Kong Limited  
HKD-traded Ordinary Shares (Stock Code: 737)  
RMB-traded Ordinary Shares (Stock Code: 80737)

## Principal Bankers<sup>+</sup>

Agricultural Bank of China Limited  
Bank of China (Hong Kong) Limited  
Chong Hing Bank Limited  
CMB Wing Lung Bank Limited  
Industrial Bank Co., Ltd. Hong Kong Branch  
Shanghai Pudong Development Bank Co., Ltd.

<sup>+</sup> Names are in alphabetical order

## Cayman Islands Share Registrar and Transfer Office

Maples Fund Services (Cayman) Limited  
P.O. Box 1093  
Boundary Hall  
Cricket Square  
Grand Cayman  
KY1-1102  
Cayman Islands

## Hong Kong Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor, Hopewell Centre  
183 Queen's Road East, Wan Chai, Hong Kong  
Tel: (852) 2862 8555  
Fax: (852) 2529 6087

## American Depositary Receipt

CUSIP No.	823219100
Trading Symbol	SIHBY
ADR to share ratio	1:10
Depository Bank	Citibank, N.A., U.S.A.

## International Securities Identification Number

ISIN code (HKD counter)	KYG8088A1168
ISIN code (RMB counter)	KYG8088A1085

## Investor Relations

Tel: (852) 2863 2502  
Fax: (852) 2861 0177  
Email: [ir@sihbay.com](mailto:ir@sihbay.com)

## Website

[www.sihbay.com](http://www.sihbay.com)

\* For identification purpose only



## Financial Calendar

Interim dividend announcement	4 August 2022
Exchange rate determined for payment of interim dividend in Hong Kong Dollars	4 August 2022
Closure of register of members	5 September 2022
Deadline for submission of dividend election form	23 September 2022
Interim dividend payable <i><b>RMB5.75 cents or HK6.67299 cents per share</b></i>	21 October 2022



## **SHENZHEN INVESTMENT HOLDINGS BAY AREA DEVELOPMENT COMPANY LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

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